

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

29. By Mr. BACON: Petition of sundry citizens of Lynbrook and vicinity, urging a constitutional amendment to eliminate the count of aliens for apportionment purposes; to the Committee on the Judiciary.

30. Also, petition of sundry citizens of Flushing, N.Y., protesting the relegalization of beer; to the Committee on the Judiciary.

31. Also, petition of executive committee of the New York State Economic Council, urging the grant by Congress to the President of all necessary power to reduce Government expenditures; to the Committee on Appropriations.

32. By Mr. CARTER of California: Petition signed by Irene Chapin, Flora Foster, and 45 others, of Oakland, Calif., urging the passage of the stop-alien-representation amendment; to the Committee on the Judiciary.

33. By Mr. GIBSON: Petitions of the Vermont Department of the American Legion, expressing appreciation of the action on the part of the War Policy Commission, and urging enactment of the proper legislation to establish a plan of universal conscription; opposing cancellation of war debts owed the United States by European countries, and favoring support of legislation benefiting widows and orphans of deceased veterans; to the Committee on Economy.

34. Also, petition of Bristol Post, No. 19, of the American Legion, Department of Vermont, opposing any of the proposed reductions in the benefits which are now being paid and any revision in the privileges that are now accorded by law to veterans of all wars; to the Committee on Economy.

35. By Mr. MEAD: Petition of the Buffalo Civic Defense League, Inc., supporting the Capper-Kelly bill; to the Committee on Interstate and Foreign Commerce.

36. By Mr. RUDD: Petition of S. Winterbourne & Co., New York City, favoring legislation for the discontinuance of the manufacture of paints and varnishes in the Government navy yards, as recommended by the Shannon investigating committee; to the Committee on Naval Affairs.

37. By Mr. SINCLAIR: Memorial in the nature of a joint resolution of the Senate and House of Representatives of the State of North Dakota, memorializing Congress for the enactment of legislation to insure the proper distribution of currency and the transaction of ordinary banking business in such a manner as to protect the interests of the people of the United States; to the Committee on Banking and Currency.

38. By Mr. WALDRON: Petition of Philadelphia Local, No. 40, National Association of Special Delivery Messengers of the Postal Service, requesting they be placed under a special classified service of the Postal Service with proper compensation and benefits such as do accrue to all civil-service employees; to the Committee on the Post Office and Post Roads.

39. By Mr. SUTPHIN: Resolution of the Asbury Park Kiwanis Club, pledging its unqualified fealty, support, and confidence to the new President and to the Congress of the United States in their efforts to solve the problems which now confront our Government; to the Committee on Ways and Means.

SENATE

MONDAY, MARCH 13, 1933

The Chaplain, Rev. Z. Barney T. Phillips, D.D., offered the following prayer:

Almighty God, who hast taught us in Thy Holy Word that whosoever dwelleth in the secret place of the most high shall abide under the shadow of the Almighty, be very near at this morning hour as we pause in loving reverence to pay grateful tribute to the memory of him whom Thou hast called unto Thyself, our companion and our friend, in whose heart there was no languor, in whose word there was no weakness; and though in these latter days weariness was on his brow, do Thou vouchsafe him rest and refreshment in

that realm beyond the bound of waste, in the holy city of our God.

Deal tenderly with her the companion of his heart, and in this day of trouble be Thou her refuge and strength, a very present help, nearer than hands and feet, nearer than breath itself.

Comfort all who mourn the loss of loved ones; grant to those who suffer, surcease from their pain; bless the ministry of all who in Thy name respond to the call of urgent need in the face of this dire calamity that hath befallen us; and that we may climb higher to the graces of self-sacrifice, give us the godlike aim to know, the godlike power to do Thy will. Through Jesus Christ, our Lord. Amen.

LYNN J. FRAZIER, a Senator from the State of North Dakota, and HENRY D. HATFIELD, a Senator from the State of West Virginia, appeared in their seats today.

THE JOURNAL

The Chief Clerk proceeded to read the Journal of the proceedings of the calendar day of Saturday, March 11, 1933, when, on request of Mr. ROBINSON of Arkansas and by unanimous consent, the further reading was dispensed with and the Journal was approved.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Hattigan, one of its clerks, communicated to the Senate the resolutions of the House adopted as a tribute to the memory of Hon. Robert B. Howell, late a Senator from the State of Nebraska.

The message also announced that the House had passed a bill (H.R. 2820) to maintain the credit of the United States Government, in which it requested the concurrence of the Senate.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Latta, one of his secretaries.

CALL OF THE ROLL

Mr. ROBINSON of Arkansas. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Copeland	Kean	Reed
Ashurst	Costigan	Keyes	Reynolds
Austin	Couzens	King	Robinson, Ark.
Bachman	Dale	La Follette	Robinson, Ind.
Bailey	Dickinson	Lewis	Russell
Bankhead	Dill	Logan	Sheppard
Barbour	Duffy	Loneragan	Smith
Barkley	Fess	Long	Steiner
Black	Fletcher	McAdoo	Stephens
Bone	Frazier	McCarran	Thomas, Okla.
Borah	George	McGill	Thomas, Utah
Bratton	Glass	McKellar	Townsend
Brown	Goldsborough	McNary	Trammell
Bulkley	Gore	Metcalf	Tydings
Bulow	Hale	Murphy	Vandenberg
Byrd	Harrison	Neely	Van Nuys
Byrnes	Hastings	Nye	Wagner
Capper	Hatfield	Overton	Walcott
Caraway	Hayden	Patterson	Walsh
Clark	Hebert	Pittman	White
Connally	Johnson	Pope	

Mr. WALSH. I desire to announce the absence of my colleague the junior Senator from Massachusetts [Mr. COOLIDGE] on account of a death in his family.

Mr. REED. I wish to announce that my colleague the junior Senator from Pennsylvania [Mr. DAVIS] is detained from the Senate by illness. I will let this announcement stand for the day.

Mr. BLACK. I wish to announce that the Senator from Montana [Mr. WHEELER] and the Senator from Wyoming [Mr. KENDRICK] are detained from the Senate, having been in attendance upon the funeral of the late Senator Walsh, of Montana.

Mr. HEBERT. I desire to announce that the Senator from Nebraska [Mr. NORRIS] and the Senator from Wyoming [Mr. CAREY] are absent from the Senate attending the funeral of the late Senator Robert B. Howell.

I also wish to announce that the Senator from Minnesota [Mr. SCHALL] is necessarily absent.

Mr. LEWIS. I wish to announce that my colleague the junior Senator from Illinois [Mr. DIETERICH] is detained from the Senate in attendance upon the funeral of the late Mayor Cermak, of Chicago.

Mr. NYE. The Senator from Minnesota [Mr. SHIPSTEAD] is necessarily detained from the Senate.

The VICE PRESIDENT. Eighty-three Senators having answered to their names, a quorum is present.

AMENDMENT OF THE VOLSTEAD ACT (H.DOC. NO. 3)

The VICE PRESIDENT laid before the Senate a message from the President of the United States, which was referred to the Committee on Finance and ordered to be printed, and it was read as follows:

To the Congress:

I recommend to the Congress the passage of legislation for the immediate modification of the Volstead Act, in order to legalize the manufacture and sale of beer and other beverages of such alcoholic content as is permissible under the Constitution; and to provide through such manufacture and sale, by substantial taxes, a proper and much-needed revenue for the Government.

I deem action at this time to be of the highest importance.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, March 13, 1933.

RESOLUTIONS OF CONDOLENCE ON DEATH OF SENATOR WALSH, OF MONTANA

The VICE PRESIDENT laid before the Senate a resolution adopted by the mayor and council of the city of Newark, Ohio, as a tribute to the memory of Hon. Thomas J. Walsh, late a Senator from the State of Montana, and expressing heartfelt sympathy with his sorrowing family, the Senate, and the President, which was ordered to lie on the table.

The VICE PRESIDENT also laid before the Senate the following resolutions of condolence adopted by the Senate of the State of Nebraska, which were ordered to lie on the table:

Resolution in memoriam of United States Senator Thomas J. Walsh (introduced by Senators J. P. O'Furey, Fred G. Hawxby, and Crist Andersen)

Whereas it has come to the knowledge of the Senate of the State of Nebraska that United States Senator Thomas J. Walsh, of Montana, died suddenly this morning in his compartment en route to Washington, where he was soon to be taken into the Cabinet of the new administration as Attorney General of the United States: Therefore be it

Resolved by the Senate of the State of Nebraska, That it is the sense of this body that the United States Senate has lost one of its strongest Members and the Cabinet of the new administration will be greatly disarranged by reason of the sudden and untimely death of Thomas J. Walsh; and

Whereas it is conceded that Thomas J. Walsh, of Montana, more than any other United States Senator, has applied himself early and late in years gone by to expose all kinds of dishonesty and graft in the public service, and that through his unceasing energy and faithful application to duty he caused exposure of the graft and dishonesty with reference to the public oil leases during the Harding administration; and

Whereas it is conceded that Senator Walsh was one of the ablest lawyers in the United States, of outstanding ability, and of invincible integrity, and that his sudden passing will be mourned by the entire Nation and that his death is an irreparable loss to the Cabinet of the new administration: Therefore be it

Resolved, That the Senate of the State of Nebraska extends its sympathy to the bereaved family and joins with the Nation in mourning the loss of this able statesman and outstanding Democrat; be it

Resolved, That a copy of these resolutions be transmitted to the Senate of the United States.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate the following joint memorial of the Legislature of the State of Montana, which was referred to the Committee on Irrigation and Reclamation:

UNITED STATES OF AMERICA,

State of Montana, ss:

I, Sam W. Mitchell, secretary of state of the State of Montana, do hereby certify that the following is a true and correct copy of an act entitled "House Joint Memorial No. 6", a memorial to the Congress of the United States of America requesting enactment

of United States Senate bills Nos. 5417 and 5471 relating to suspension of payments and loans to the reclamation funds of irrigation projects, enacted by the twenty-third session of the Legislative Assembly of the State of Montana, and approved by J. E. Erickson, Governor of said State, on the 6th day of March 1933.

In testimony whereof, I have hereunto set my hand and affixed the great seal of said State.

Done at the city of Helena, the capital of said State, this 7th day of March A.D. 1933.

[SEAL]

SAM W. MITCHELL,
Secretary of State.

House Joint Memorial 6

A memorial to the Congress of the United States of America requesting enactment of United States Senate bills Nos. 5417 and 5471 relating to suspension of payments and loans to the reclamation funds of irrigation projects

To the Honorable Senate and House of Representatives of the United States of America:

Your memorialists, the members of the Twenty-third Legislative Assembly of the State of Montana, respectfully represent that

Whereas there have been introduced into the United States Senate for passage, Senate bills Nos. 5417 and 5471, which are complementary one to the other, the first providing for a suspension in payment of charges due from the Federal reclamation-project settlers to the United States which will in like amount decrease the income of the reclamation fund for the period of the suspension; and the second providing for a loan to the reclamation fund to replace the income thereto thus suspended; and

Such suspension of construction charges has become necessary on account of the extremely low prices affecting all agricultural communities; and

There has already been authorized by the Congress of the United States the construction of irrigation projects under the provisions of the reclamation act; and

Said Federal projects are now only partially completed and incapable of substantial self-liquidation of their present costs until the same are completed; and

The settlers upon numerous privately projected irrigation districts of the State are on the verge of being forced out of their homes because of an inadequate water supply due to lack of storage, and depreciation of distribution facilities, and a supplemental water supply can be made most readily available by the Federal Reclamation Bureau; and

Delays in completion of projects already begun and the commencement of those projects contemplated to rehabilitate worthy enterprises will result in serious loss to the United States and to the State of Montana in (a) direct increase in unemployment to the extent of several thousand men, with incidental increase in unemployment in those industries which supply such projects, incalculable; (b) depreciation of works already constructed in such incomplete projects, and of idle money therein invested; and (c) the crushing blow to those under said projects having inadequate water supply and having staked all in faith upon the Federal Government's completing that which it has undertaken.

Failure to enact said bills, or similar legislation, will result in the discharge of thousands of men now employed and the consequent loss in purchasing power for consumption of both farm and industrial products and add to the depression prevailing in all markets; and for

Effective relief to the State of Montana and its citizens the timely completion of said projects; and the enactment of the bills, herein designated, into laws, are propositions of inseparable relation: Therefore be it

Resolved by the joint action of the Legislative Assembly of the State of Montana, That the Congress of the United States in furtherance of subsisting national policies of reconstruction and reclamation, make early enactment of United States Senate bills Nos. 5417 and 5471 into law; and be it further

Resolved, That the secretary of state of Montana be, and he is hereby, directed forthwith to transmit a copy of this memorial to each, the President of the United States, the President of the United States Senate, the Speaker of the House of Representatives, and to the Montana delegation in Congress, with a request that they expeditiously promote the enactment into law of United States Senate bills Nos. 5417 and 5471.

D. A. DELLWO,
Speaker of the House.
TOM KANE,
President pro tempore of the Senate.

Approved March 6, 1933.

J. E. ERICKSON, Governor.

The VICE PRESIDENT also laid before the Senate the following joint resolution of the Legislature of the State of Nevada, which was referred to the Committee on Banking and Currency:

Senate joint resolution memorializing the Congress of the United States to speedily rehabilitate silver, and petitioning the President-elect to call an international conference on the subject

The restoration of silver to its natural parity ratio of 16 to 1, based on the ratio of world production of silver and gold, appears to be essential to sound and necessary expansion of the basic currency of the world. Such restoration appears to be the most feasible plan to increase the purchasing power of more than half of the population of the world, enabling them to buy products of the

United States and other gold-standard nations. Such restoration appears to be a requisite in order to increase our export trade and the sale of our surplus production, now depressing our domestic market below the actual cost of production. No plan as yet presented would do more toward restoring the economic stability of the world than the realization of the facts: That silver is not even as much a commodity as is gold; that four fifths of the silver now being produced, and that ever has been produced, has been used for monetary purposes, while only half of the gold ever produced has been so used; that laws did not make money of either gold or silver; they were money long before any monetary laws were ever enacted; that since the beginning of time there has not been produced throughout the world on the average more than 15 ounces of silver to 1 ounce of gold and that in 1932 there were actually less than 13 ounces of silver produced to each 1 ounce of gold; that monetary laws alone have artificially decreased the demand for silver through restricting its use as money, thus decreasing its relative value, and we must therefore now remove or neutralize these artificial restrictions before we may hope to restore the natural laws of supply and demand. Nevada therefore favors any and all legislation, whether national or international, tending to effect the rehabilitation of silver, but is informed and believes that the only bill introduced in the Senate and the House of Representatives during the last two sessions of Congress which has received a favorable report from any committee is that introduced by Senator PITTMAN for the purchase of American-produced silver with silver certificates, and this, in all probability, is the extent of legislation that could be enacted at the present session of Congress. And while some might be inclined to take nothing less than what they think is right, others are inclined to compromise upon the best they can get, if it be a really forward step, particularly so when faced by an emergency which demands prompt alleviation. The Silver State therefore submits that said Pittman bill is a step in the right direction; will tend to offset the unnatural supply of silver now derived from the melting of Indian silver coins and, at least to that extent, will tend to restore the market for silver to the normal mine production and the normal world demand; whereupon, at subsequent sessions of Congress, when conditions may be more favorable for silver legislation, we may hope for amendment of the Pittman bill to enlarge its scope and effect. In 1897 Nevada vigorously supported the Federal act (29 Stat. 624) authorizing the President of the United States to appoint five or more commissioners to attend any international conference called by the United States or any other country with a view to securing by international agreement a fixity of relative value between gold and silver as money, by means of a common ratio between these metals with free mintage at such ratio, and appropriating \$100,000 for the expenses of any such conference. That act is still in full force and effect, but the conference has never yet been called, even though the Senate of the United States, in adopting the Pittman resolution, specifically requested the President to do so. The "Silver" State therefore respectfully urges and petitions the President-elect to call an international silver conference to be held in the United States at the earliest practical date:

Resolved, therefore, by the Senate and the Assembly of the State of Nevada, That we memorialize the present Congress of the United States to enact the Pittman bill (S. 3606) and respectfully petition the President-elect of the United States to promptly call an international conference to rehabilitate silver;

Resolved further, That copies of this resolution be transmitted forthwith by the secretary of state of Nevada to the President of the United States Senate, to the Speaker of the House of Representatives, to the chairman of the House Committee on Banking and Currency, to our Senators and our Representative in Congress, and a copy under the great seal of the State of Nevada to the President-elect of the United States.

MORLEY GRISWOLD,
President of the Senate.
V. R. MERALDO,
Secretary of the Senate.
FRED S. ALWARD,
Speaker of the Assembly.
GEORGE BRODIGAN,
Chief Clerk of the Assembly.

STATE OF NEVADA,
EXECUTIVE DEPARTMENT.

Approved March 6, 1933, 9:03 a.m.

F. B. BALZAR, Governor.

The VICE PRESIDENT also laid before the Senate the following joint resolution of the Legislature of the State of Nevada, which was referred to the Committee on Finance:

Senate joint resolution memorializing Congress to pass the so-called "Wheeler bill" providing for the coinage of silver at the ratio of 16 to 1

Whereas there is now pending before Congress an act introduced by Senator WHEELER, of Montana, providing for the coinage of silver at the ratio of 16 to 1; and

Whereas the silver industry is of vital importance to the people of the State of Nevada; and

Whereas it is the belief of the people of this State that the enactment of the said measure will restore prosperity to our State in a greater degree than any other measure or plan before Congress: Now, therefore, be it

Resolved by the Senate and the Assembly of the State of Nevada, That Congress be urged to enact the so-called "Wheeler bill" into law; and be it further

Resolved, That the secretary of state transmit certified copies of this resolution to the President of the Senate, the Speaker of the House of Representatives, and to our Senators and Representative in Congress.

MORLEY GRISWOLD,
President of the Senate.
V. R. MERALDO,
Secretary of the Senate.
FRED S. ALWARD,
Speaker of the Assembly.
GEORGE BRODIGAN,
Chief Clerk of the Assembly.

STATE OF NEVADA,
EXECUTIVE DEPARTMENT.

Approved March 6, 1933, 9:10 a.m.

F. B. BALZAR, Governor.

STATE OF NEVADA,
Department of State, ss:

I, W. G. Greathouse, the duly elected, qualified, and acting secretary of state of the State of Nevada, do hereby certify that the foregoing is a true, full, and correct copy of the original Senate Joint Resolution No. 14, introduced by Senator Marsh on February 15, 1933, now on file and of record in this office.

In witness whereof I have hereunto set my hand and affixed the great seal of State at my office, in Carson City, Nev., this 6th day of March A.D. 1933.

[SEAL]

W. G. GREATHOUSE,
Secretary of State.

The VICE PRESIDENT also laid before the Senate resolutions adopted by the Georgetown Progressive Business Club, of Georgetown, D.C., endorsing George W. Offutt for appointment as a Commissioner of the District of Columbia, which were referred to the Committee on the District of Columbia.

He also laid before the Senate resolutions adopted by the councils of the cities of Columbus, Ohio, and South Bend, Ind., favoring the passage of legislation authorizing and directing the Postmaster General to issue a special series of postage stamps of the denomination of 3 cents, commemorative of the one hundred and fiftieth anniversary of the naturalization as an American citizen and appointment as brevet brigadier general of the Continental Army on October 13, 1783, of Thaddeus Kosciuszko, which were referred to the Committee on Post Offices and Post Roads.

Mr. KING presented the petition of R. C. Harris and 94 other citizens of Tremonton, Utah, praying for a thorough checking of benefits and allowances paid from the Treasury to nondisabled or slightly disabled veterans, the curtailment of expenditures, and the balancing of the Budget, which was ordered to lie on the table.

Mr. WALSH presented a petition of sundry citizens of Holliston and Wakefield, Mass., praying for the passage of legislation to reevaluate the gold ounce, which was referred to the Committee on Banking and Currency.

He also presented petitions and papers in the nature of petitions of the Hampshire County Woman's Christian Temperance Union, of Northampton; the Palmer Woman's Tuesday Club, of Palmer, and 328 citizens—all in the State of Massachusetts, praying for the passage of legislation to regulate and supervise the motion-picture industry, which were referred to the Committee on Interstate Commerce.

He also presented a memorial of sundry citizens of Southbridge and Worcester, Mass., remonstrating against the repeal of the eighteenth amendment of the Constitution or the modification of the Volstead Act, which was referred to the Committee on the Judiciary.

He also presented a resolution adopted by Gilbert-Perry Post, No. 115, Veterans of Foreign Wars, of Attleboro, Mass., opposing any reduction at this time in the active naval forces of the Nation, which was referred to the Committee on Naval Affairs.

Mr. COPELAND presented resolutions adopted by the Chambers of Commerce of Watertown and Winthrop, in the State of New York, urging the ratification of the Great Lakes-St. Lawrence Seaway Treaty with Canada, which were referred to the Committee on Foreign Relations.

He also presented a resolution adopted at Newburgh, N.Y., by the Hudson Valley Federated Chamber of Commerce, remonstrating against the ratification of the Great Lakes-St.

Lawrence Seaway Treaty with Canada, which was referred to the Committee on Foreign Relations.

He also presented a resolution adopted at Walden, N.Y., by members of Farmers' Local, Dairymen's League Cooperative Association, Inc., favoring the enactment of legislation to change the monetary system of the United States so as to cause commodity prices to be restored to the average price levels of 1921-1929, which was referred to the Committee on Banking and Currency.

He also presented a resolution adopted at Buffalo, N.Y., by the J. W. K. Political and Social Club, Inc., favoring the revaluation of the gold ounce and the enactment of legislation to provide for limiting the operation of machinery by manufacturers and contractors to prevent overproduction, which was referred to the Committee on Banking and Currency.

He also presented a petition of sundry citizens of Buffalo, N.Y., praying for the revaluation of the gold ounce, the correction of financial abuses, and a tax on labor-reducing machinery, which was referred to the Committee on Banking and Currency.

He also presented a resolution adopted by the executive committee of the New York State Economic Council, at New York City, urging Congress to give to the President all necessary power to enable him to reduce the expenditures of the Federal Government to the utmost possible extent, which was ordered to lie on the table.

He also presented the memorial of M. Egan, of Brooklyn, N.Y., remonstrating against the curtailment of benefits accorded to veterans of the Spanish-American War, which was ordered to lie on the table.

MAINTAINING CREDIT OF UNITED STATES GOVERNMENT

Mr. ASHURST. Mr. President, I have received, as doubtless many Senators have, a large number of telegraphic dispatches respecting Senate bill No. 233, a bill to maintain the credit of the United States Government. One of the dispatches reads as follows:

I feel it my duty to advise that your future success is in grave danger if you uphold granting presidential power.

Another reads:

Your attitude very unsatisfactory. You are taking \$6,300,000 annually from Arizona, and are politically dead unless you change your attitude.

Mr. President, some time ago I made the astonishing and for awhile, to myself, the distressing discovery that the perpetuity of the American Government did not absolutely depend upon the reelection of one HENRY FOUNTAIN ASHURST to the Senate of the United States.

When a Senator makes such a discovery, at first the fact appears incredible. It seems as if the stars above his head had faded and the earth had slipped beneath his feet. But, as time rolls on, such a discovery proves to be a real antidote to megalomania; and the further flight of time brings to the discoverer a serenity and a humility to be envied by the world's greatest philosophers.

It may be, Mr. President, that the perpetuity of the American Republic does not depend upon my reelection to the Senate; but the perpetuity of the Republic may indeed depend upon granting to the President the authority to make the economies called for in his message to Congress.

HOSPITALIZATION FOR NON-SERVICE-CONNECTED CASES

Mr. DUFFY. I ask unanimous consent to have printed in the RECORD and to lie on the table a telegram from the Governor of Wisconsin pertaining to Senate bill 233.

There being no objection, the telegram was ordered to lie on the table and to be printed in the RECORD, as follows:

MADISON, WIS., March 11, 1933.

Senator F. RYAN DUFFY,
Senate Chamber, Washington, D.C.:

The proposal to remove from Federal hospital all non-service-connected veterans is a mistake at the present time, because these cases would be thrown upon the communities for hospital care. It would merely transfer the burden and not be an economy at the present time. The Wisconsin Memorial Hospital for Soldiers would have to be abandoned if this proposal and policy is adopted.

A. G. SCHMEDEMAN, Governor.

DISTRIBUTION OF NEW CURRENCY

Mr. TYDINGS. Mr. President, I present a joint resolution of the General Assembly of Maryland and ask that it may be referred to the Committee on Banking and Currency. It is a resolution dealing with the recently passed banking law and suggests some amendments.

The VICE PRESIDENT. The joint resolution of the General Assembly of Maryland will be received and referred as requested.

(See S.J.Res. 6 of the General Assembly of Maryland concerning the present banking and currency situation, when presented by Mr. GOLDSBOROUGH on the 11th instant and printed in full, p. 194, CONGRESSIONAL RECORD.)

RELIEF OF MUNICIPALITIES IN BANKRUPTCY PROCEEDINGS

Mr. FLETCHER. Mr. President, when the bankruptcy bill was pending, I offered an amendment to have included in it municipal corporations and taxing districts, but the committee did not have time to consider the matter and did not report it favorably. After the bill came to the Senate, I had occasion to confer with Senators on both sides of the Chamber, and I could not find very much sympathy with the amendment. I am quite sure it has not been thoroughly considered. I have this morning a communication from the mayor of Coral Gables, and attached to that letter is an opinion by an eminent firm of lawyers of New York City, Thomson, Wood & Hoffman, as to the constitutionality of that provision, which was one of the questions raised about it.

I ask to have inserted in the RECORD this communication and this opinion rendered on the subject of legislation designed to afford relief to municipalities under bankruptcy proceedings.

A thousand municipalities in 41 States are today in default on their bonds, and there will be a thousand more within a few months. I think this is a subject which is of importance; it raises the question whether a minority—say, one third of the bondholders of a municipality—may prevent any just settlement or compromise of its indebtedness at will, and I am going to ask the Committee on the Judiciary to give a hearing on it a little later when it is presented in proper form. In the meantime I am asking to have the opinion referred to printed in the RECORD, and also some other views which are attached. I ask also that they may be referred to the Committee on the Judiciary.

There being no objection, the papers presented by Mr. FLETCHER were referred to the Committee on the Judiciary and ordered to be printed in the RECORD, as follows:

CORAL GABLES, FLA., March 8, 1933.

HON. DUNCAN U. FLETCHER,

United States Senator, Senate Chamber, Washington, D. C.

DEAR SENATOR FLETCHER: I am sending you herewith a copy of the legal opinion given by Thomson, Wood & Hoffman, of New York City, as to the constitutionality of the municipality composition amendment to the bankruptcy law. In view of suggestions which have been made to you, as I understand, by other people, this will be illuminating as clearly demonstrating the constitutionality of the act.

We find that bankers and municipal bond houses favor the proposed amendment as sound and necessary to meet the emergent situation which has arisen; this makes it fairly unanimous.

Even the Bondholders' Protective Committee, representing 90 percent of Coral Gables' bondholders, have indicated their intention to urge the matter at a hearing before the Senate Judiciary Committee.

All Florida municipalities in default are hopeful that you will be successful in the passage of this amendment in the Senate at the special session.

Cordially yours,

VINCENT D. WYMAN, Mayor.

NEW YORK, March 1, 1933.

Senator DANIEL O. HASTINGS,

Senate Office Building, Washington, D.C.:

DEAR SIR: Our opinion has been requested as to the constitutionality of the amendment to the bankruptcy law, proposed by Senator FLETCHER, of Florida, providing a means whereby insolvent municipal corporations and taxing districts may obtain relief from the burden of their indebtedness. The bill proposed by the Senator contemplates the presentation of a petition to the United States district court by the insolvent municipality, accompanied by a plan for the rearrangement of its indebtedness, which has been approved by the holders of 50 per cent in amount of its out-

standing debt. A hearing is held upon the petition after due notice, at which hearing minority creditors have the right to be heard regarding the plan and to present an alternative plan. In the event a composition or adjustment plan is accepted in writing, filed in the proceeding by or on behalf of creditors holding two thirds in amount of the claims against the municipality allowed by the court, and the court is satisfied that the plan is equitable; that it is fairly based upon the reasonable capacity of the municipality to pay; that the plan has been offered and accepted in good faith and provides for the payment of costs of administration and allowances made by the court, and that the municipality is authorized by law to take all action necessary to carry out the plan, an order of confirmation is entered by the court which is binding upon all creditors. The confirmation of the plan and the delivery of the compromise securities discharge the municipality from its debts except as provided in the plan.

The proposed bill is intended to be applicable to existing debts, and the question arises whether it is within the power of Congress to enact a statute the effect of which would be to impair the obligation of contracts. By the tenth section of article I of the Federal Constitution the States are prohibited from passing laws impairing the obligation of contracts, but it is to be noted that there is no similar restriction imposed by the Constitution upon the Congress of the United States. The failure to so provide was not an oversight. When the tenth section of article I of the Federal Constitution was under consideration in the Constitutional Convention and it was amended to prohibit the States from passing laws impairing the obligation of contracts, Mr. Gerry made a motion that Congress be laid under a like prohibition. His motion, however, was not seconded. (Elliott's Debates, vol. 5, p. 540.)

It has been contended, however, from time to time that the fifth amendment, which prohibits the Federal Government from depriving persons of property without due process of law, had the effect of inhibiting the enactment of Federal legislation impairing the obligation of contracts, inasmuch as a contract right is property. No doubt the fifth amendment prohibits the Congress from passing laws which directly appropriate contract rights or the benefits arising therefrom, but it clearly was not intended to inhibit the enactment of Federal legislation under a power expressly conferred upon Congress by the Federal Constitution, which incidentally impaired the obligation of private contracts. In *Mitchell v. Clark* (110 U.S. 633) the Supreme Court of the United States, with reference to a contention that a statute of limitations enacted by Congress impaired the obligation of contracts, said:

"It is no answer to this to say that it interferes with the validity of contracts, for no provision of the Constitution prohibits Congress from doing this, as it does the States; and where the question of the power of Congress arises, as in the *Legal Tender* cases, and in bankruptcy cases, it does not depend upon the incidental effect of its exercise on contracts, but on the existence of the power itself."

Chief Justice Taft, in *New York v. United States* (257 U.S. 591), used the following language:

"The next objection is that the State has a charter contract with the New York Central Railroad Co. by which the latter is bound not to charge more than 2 cents a mile for passenger carriage between Albany and Buffalo, and that, if the Transportation Act permits the Interstate Commerce Commission by such an order to enable the railroad company to violate its contract, it impairs the obligation of a contract in violation of section 10, article I, of the Federal Constitution. That section provides that 'no State shall . . . pass any . . . law impairing the obligation of contracts,' and does not in terms restrict Congress of the United States. But it is said that it deprives New York and her people of property without due process of law. We said in *Addyston Pipe & Steel Co. v. United States* (175 U.S. 211, 230), 'Anything which directly obstructs and thus regulates that commerce which is carried on among the States, whether it is State legislation or private contracts between individuals or corporations, should be subject to the power of Congress in the regulation of that commerce.'"

We consider the law well settled that where Congress is vested by the Constitution with power to legislate upon any subjects, it may do so regardless of the incidental effect of such legislation upon outstanding contracts.

By the fourth clause of section 8 of article I of the Constitution, Congress is given power to enact "Uniform laws on the subject of bankruptcies throughout the United States." The power of Congress to enact a bankruptcy law, accordingly, cannot be questioned; and it may, in the exercise of this power, enact a law which may impair the obligation of existing contracts. So far as we know there is no square decision of the Supreme Court of the United States upon the subject, but the dicta of the members of that court in many cases, in our opinion, leave little doubt as to what the Court's decision would be if the question is ever presented to it.

In *re Klein* (14 Fed. Cas. 716) was an appeal from the district court involving the question of the power of Congress to enact a bankruptcy law applicable to debts incurred prior to its passage. The opinion was rendered by Justice Catron of the United States Supreme Court sitting in the circuit court. He reversed the decision below and held that it was within the power of Congress to enact such a law. So far as we know this is the only square decision upon the subject. In *Hanover National Bank v. Moyses* (186 U.S. 181) the court, after quoting from Justice Catron's opinion, said:

"Counsel justly says that 'the relation of the debtor and creditor has a dual aspect and contains two separate elements. One is the right of the creditor to resort to present property of the debtor through the courts to satisfy the debt; the other is the personal obligation of the debtor to pay the debt, and he will devote his energy and labor to discharge it' (4 Wheat. 198), and 'in the absence of property the personal obligation to pay constitutes the only value of the debt.' Hence the importance of the distinction between the power of Congress and the power of the States. The subject of 'bankruptcies' includes the power to discharge the debtor from his contracts and legal liabilities, as well as to discharge his property. The grant to Congress involves the power to impair the obligation of contracts, and this the States were forbidden to do." (Italics ours.)

Again in *Canada Southern Railroad Co. v. Gebhard* (109 U.S. 527), the court, in considering a Canadian statute providing for the refunding of the indebtedness of an insolvent railroad corporation with the approval of the majority of the creditors, said:

"Hence it seems to be eminently proper that where the legislative power exists some statutory provision should be made for binding the minority in a reasonable way by the will of the majority; and unless, as is the case in the States of the United States, the passage of laws impairing the obligation of contracts is forbidden, we see no good reason why such provision may not be made in respect to existing as well as prospective obligations. The nature of securities of this class is such that the right of legislative supervision for the good of all, unless restrained by some constitutional prohibition, seems almost necessarily to form one of their ingredients, and when insolvency is threatened, and the interests of the public, as well as creditors, are imperiled by the financial embarrassments of the corporation, a reasonable 'scheme of arrangement' may, in our opinion, as well be legalized as an ordinary 'composition in bankruptcy.' In fact such 'arrangement acts' are a species of bankrupt acts. * * * It is in entire harmony with the spirit of bankrupt laws, the binding force of which, upon those who are subject to the jurisdiction, is recognized by all civilized nations. It is not in conflict with the Constitution of the United States, which, although prohibiting States from passing laws impairing the obligation of contracts, allows Congress 'to establish uniform laws on the subject of bankruptcy throughout the United States.'"

In our opinion, there can be little doubt as to the power of Congress to enact a bankruptcy law applicable not only to debts incurred after its passage but also to debts incurred prior to that date.

It may, perhaps, be contended that the proposed act is not a bankruptcy act within the meaning of the fourth clause of section 8 of article I of the Federal Constitution. We do not think that this contention can be sustained. The decision in *re Klein*, supra, in our opinion, would dispose of such a contention and, moreover, in *Hanover National Bank v. Moyses*, supra, it was held that the power vested in Congress by the Constitution was not limited to the enactment of bankruptcy laws of the character theretofore enacted, but that the framers of the Constitution "granted plenary power to Congress over the whole subject of bankruptcies and did not limit it by the language used."

Similarly, in *Canada Southern Railway Co. v. Gebhard*, supra, Chief Justice Waite declared the Canadian Arrangement Act under consideration in that case to be a species of bankrupt act, and further said:

"The confirmation and legalization of 'a scheme of arrangement' under such circumstances is no more than is done in bankruptcy when a 'composition' agreement with the bankrupt debtor, if assented to by the required majority of creditors, is made binding on the nonassenting minority. In no just sense do such governmental regulations deprive a person of his property without due process of law. They simply require each individual to so conduct himself for the general good as not unnecessarily to injure another. Bankrupt laws have been in force in England for more than 3 centuries, and they had their origin in the Roman law. The Constitution expressly empowers the Congress of the United States to establish such laws. Every member of a political community must necessarily part with some of the rights which, as an individual, not affected by his relation to others, he might have retained. Such concessions make up the consideration he gives for the obligation of the body politic to protect him in life, liberty, and property. Bankruptcy laws, whatever may be the form they assume, are of that character."

In our opinion, there can be little question that the proposed statute, if enacted by Congress, would constitute a bankruptcy law within the meaning of the fourth clause of section 8 of article I of the Constitution.

The bill is novel in that, for the first time, it is proposed to extend the bankruptcy laws to municipalities and other political subdivisions of the States. It is our opinion, however, that Congress possesses the power to enact such a law. The courts have long held that due to the federal form of government provided by the Constitution of the United States the Federal Government can not impede the exercise of the governmental functions of the States. We are, however, unable to see in what respect the proposed bill would impede the governmental functions of the States or any of their instrumentalities of government or in any way impair the sovereignty of the respective States. So far as the municipalities are concerned, the act is purely permissive. They may or may not take advantage of its provisions at their option. No municipality can be brought into the bankruptcy court against its will. The effect of the bill is simply to broaden the provisions of the existing bankruptcy laws so as to permit municipalities to

take advantage of them if they so desire. The court exercises no political functions. In no respect may it regulate the governmental activities of the municipality. On the contrary, the bill is an attempt to prevent the governmental functions of the municipalities being impaired by reason of financial difficulties. It does no more than provide a judicial proceeding for the adjustment of a controversy of a commercial nature between the municipality and its creditors. In our opinion, a statute providing for a composition between a municipality and its creditors under the supervision of a Federal court, particularly when the proceeding can be initiated only by the municipality, does not infringe upon the sovereignty of the States.

It is our opinion, therefore, that the proposed Fletcher bill, if enacted by the Congress, would not be unconstitutional.

Very truly yours,

THOMSON, WOOD & HOFFMAN.

Mr. FLETCHER. Some further thoughts on the subject have been submitted to me which I consider most important and impressive, which I ask to have inserted in the RECORD, to wit:

Under the dual Federal and State system of government in the United States, bankruptcy powers are exclusively Federal functions. (*People v. Irving Trust Co.*, 53 Sup. Ct. Rept. 389; 284 U.S. 225.) If the actual or potential property rights or resources of individuals and corporations, which may consist of liens and other intangible rights, as well as corporeal property, can be impounded and utilized to pay debts as far as the property rights may pay, followed by a discharge of the debtor from the remainder of the debt, then it should not be unconstitutional or impossible to apply the bankruptcy powers of Congress to the taxing resources of governmental units.

The foundation principle of the dual system of government under the Constitution of the United States is that either the Federal or the State authorities have power to afford any governmental remedy that may be needed in any great emergency in human affairs. The emergency needing a remedy for general and acute insolvency is here and the States have no bankruptcy power; therefore the needed power must be in the Congress, and statesmanship should formulate and apply an effective remedy.

Where property subject to debts and the power to impose ad valorem and license or excise taxes are the only resources with which taxing units may pay their debts, if the bankruptcy powers of the Federal Government cannot act upon the taxing resources of a governmental unit, then government fails when a taxing unit is and will continue to be utterly unable to pay its debts, and neither the taxing unit nor its creditors can invoke the functions of a governmental tribunal to adjust the debts and enforce pro tanto liquidation and a discharge from the remainder of the debts.

If a governmental unit having only taxing-power resources and no property subject to debts owes debts equal to say, 100 percent and it cannot possibly pay more than, say, 60 percent by the use of its taxing resources extending over a period of, say, 20 years, why cannot the probable yearly tax income be ascertained and established, and the amount of the debt that can reasonably and probably be paid, established as the amount to be paid, and a discharge given for the remainder of the old debt?

When the amount to be paid and the period of payment are duly established, the necessary tax levies may be enforced by the State processes if statutory duties are not performed.

The statute and the procedure thereunder should be efficient, prompt, and fair to the debtor and creditor; then the American spirit now waning will be revived and patriotism and integrity will prevail again.

ORDER OF PROCEDURE

Mr. TRAMMELL. Mr. President, I desire to make a parliamentary inquiry. Are we going to follow the regular order this morning or proceed by unanimous consent?

The VICE PRESIDENT. The presentation of petitions and memorials is now in order.

SUPPORT OF PRESIDENT'S ECONOMY PROGRAM

Mr. REED. Mr. President, I ask that the telegram which I now send to the desk may be read by the clerk.

The VICE PRESIDENT. Without objection, the clerk will read the telegram.

The Chief Clerk read as follows:

CHICAGO, ILL., March 12, 1933.

Senator DAVID A. REED,

Senate Office Building, Washington:

The Crusaders, numbering more than 1,000,000 members, many of whom are veterans of the World War, whose patriotism did not end with the signing of the armistice, are actively fighting for the President's program for effecting national economies. We commend those Members of the lower House who patriotically and in the public interest supported the bill. We urge you to use your best efforts to have this bill passed without delay. Bear in mind that the vast army comprising the unorganized majority is thoroughly aroused over reckless Government expenditures and will

not tolerate submission to organized minority groups. In this hour of national distress anything but united patriotic action is unthinkable.

CHARLES S. DEWEY.

PROTECTION OF BANKS

Mr. ROBINSON of Indiana. Mr. President, I have received a telegram from Vincent Bendix, South Bend, Ind., who is very prominent in the business world, which I desire to read, as follows:

CHICAGO, ILL., March 11, 1933.

Hon. ARTHUR R. ROBINSON,

The Mayflower, Washington, D.C.:

It is regrettable that the new banking legislation, which means further deflation, is going to affect unfavorably so many banks throughout the United States which only need a little more time and some improvement in the price levels to carry on; and, if many of these banks are handicapped or closed, it will mean a continuation and enlargement of the very deplorable and destructive deflation that is destroying the commercial life of countless corporations and individuals. Some form of bank guaranty for part if not all of the deposits in all of our banks could not cost our Government very much, in fact, only a fraction of the actual losses to industry that will ensue if it is not done. Many banks, if their deposits were frozen in proportion to their assets, would be able to carry on and weather the financial storm under some supplementary banking regulations to cover that class of institutions. We must save our country from any further general deflation, as a great majority of the people will lose while, relatively, only a few institutions and individuals will benefit by such further destruction.

VINCENT BENDIX.

SOUTH BEND, IND.

BILLS AND JOINT RESOLUTIONS INTRODUCED

Bills and joint resolutions were introduced, read the first time, and, by unanimous consent, the second time, and referred, as follows:

By Mr. McNARY:

A bill (S. 319) to extend the boundaries of the Fremont National Forest; to the Committee on Agriculture and Forestry.

(Mr. ROBINSON of Arkansas introduced Senate bill 320, which was referred to the Committee on Banking and Currency, and appears under a separate heading.)

By Mr. NYE:

A bill (S. 321) to amend section 99 of the Judicial Code (U.S.C., title 28, sec. 180), as amended; to the Committee on the Judiciary.

By Mr. TRAMMELL:

A bill (S. 322) to amend the act entitled "An act to provide for loans to farmers for crop production and harvesting during the year 1933, and for other purposes," approved February 4, 1933; to the Committee on Agriculture and Forestry.

A bill (S. 323) to amend the Emergency Relief and Construction Act of 1932 with respect to time for payment of loans to fruitgrowers made by regional agricultural credit corporations; to the Committee on Banking and Currency.

By Mr. FLETCHER and Mr. TRAMMELL:

A bill (S. 324) to provide for the establishment of the Everglades National Park in the State of Florida, and for other purposes; to the Committee on Public Lands and Surveys.

By Mr. COSTIGAN:

A bill (S. 325) to provide emergency financing facilities for unemployed workers, to relieve their distress, to increase their purchasing power and employment, and for other purposes; to the Committee on Manufactures.

By Mr. FRAZIER:

A bill (S. 326) referring the claims of the Turtle Mountain Band or Bands of Chippewa Indians of North Dakota to the Court of Claims for adjudication and settlement; to the Committee on Indian Affairs.

By Mr. HALE:

A bill (S. 327) to correct the naval record of Fred Allen Wickett;

A bill (S. 328) for the relief of William Frank Dunn;

A bill (S. 329) for the relief of Bernard Leroy Eaton;

A bill (S. 330) to correct the naval record of George Edward Maroon;

A bill (S. 331) for the relief of Oscar Pinette;

A bill (S. 332) for the relief of William C. Whitehead; and
A bill (S. 333) for the relief of Clarence Leroy Witham;
to the Committee on Naval Affairs.

By Mr. BULKLEY:

A bill (S. 334) to amend the act entitled "An act to provide relief in the existing national emergency in banking, and for other purposes," approved March 9, 1933; to the Committee on Banking and Currency.

By Mr. DILL:

A bill (S. 335) to amend the law relative to citizenship and naturalization, and for other purposes; to the Committee on Immigration.

A bill (S. 336) for the relief of the Edward F. Gruver Co.;

A bill (S. 337) for the relief of Heimo Sarkkinen; and

A bill (S. 338) for the relief of John J. Sanford; to the Committee on Claims.

A bill (S. 339) for the refundment of certain countervailing customs duties collected upon logs imported from British Columbia; and

A bill (S. 340) to prohibit appointment of Members of Congress to offices of the Federal Government for a period of 2 years after the expiration of their term of service in Congress; to the Committee on the Judiciary.

A bill (S. 341) relating to suits for infringement of patents where the patentee is violating the antitrust laws; and

A bill (S. 342) to amend and consolidate the acts respecting copyright; to the Committee on Patents.

A bill (S. 343) to aid the several States in constructing post roads; to the Committee on Post Offices and Post Roads.

By Mr. TOWNSEND:

A bill (S. 344) to protect depositors in national banks, to regulate the withdrawal of deposits in such banks in certain cases, and for other purposes; to the Committee on Banking and Currency.

A bill (S. 345) for the relief of Ida C. Buckson, executrix of E. C. Buckson, deceased;

A bill (S. 346) for the relief of the Hamburg-American Line;

A bill (S. 347) for the relief of Alfred L. Hudson; and

A bill (S. 348) for the relief of Stanley E. Richardson; to the Committee on Claims.

A bill (S. 349) for the relief of Edward Xavier Linck; to the Committee on Naval Affairs.

A bill (S. 350) granting an increase of pension to Mary Elizabeth Hall; to the Committee on Pensions.

By Mr. TYDINGS:

A bill (S. 351) to amend section 206 of the act entitled "An act to provide relief in the existing national emergency in banking, and for other purposes," approved March 9, 1933; and

A bill (S. 352) to amend section 304 of the act entitled "An act to provide relief in the existing national emergency in banking, and for other purposes," approved March 9, 1933; to the Committee on Banking and Currency.

By Mr. CAPPER:

A bill (S. 353) to renew and extend certain letters patent; to the Committee on Patents.

A bill (S. 354) to provide old-age securities for persons over 60 years of age residing in the District of Columbia, and for other purposes; to the Committee on the District of Columbia.

By Mr. COPELAND:

A bill (S. 355) for the relief of George B. Pfeiffer; and

A bill (S. 356) for the relief of the Great American Indemnity Co. of New York; to the Committee on Claims.

A bill (S. 357) to amend the law relative to citizenship and naturalization, and for other purposes; to the Committee on Immigration.

By Mr. REED:

A bill (S. 358) to authorize the Court of Claims of the United States to hear and determine the claim of Samuel W. Carter; to the Committee on Claims.

By Mr. McNARY:

A joint resolution (S.J.Res. 15) extending to the whaling industry certain benefits granted under section 11 of the

Merchant Marine Act, 1920; to the Committee on Commerce.

By Mr. NEELY:

A joint resolution (S.J.Res. 16) providing for the investigation, survey, and report of a continuous water line from the James River in Virginia to the New and Kanawha Rivers in West Virginia; to the Committee on Commerce.

By Mr. COSTIGAN:

A joint resolution (S.J.Res. 17) proposing an amendment to the Constitution of the United States to permit the taxation of tax-exempt securities; to the Committee on the Judiciary.

RELIEF OF CALIFORNIA EARTHQUAKE SUFFERERS

Mr. McADOO. Mr. President, I introduce a joint resolution providing relief for earthquake sufferers in southern California and ask unanimous consent for its immediate consideration.

The VICE PRESIDENT. The joint resolution will be read.

The joint resolution (S.J.Res. 14) authorizing the President of the United States to expend \$5,000,000 to relieve distress in those counties of California which have suffered from the catastrophe of earthquake in the year 1933 was read the first time by its title and the second time at length, as follows:

Resolved, etc., That there is hereby appropriated \$5,000,000 as a fund for the relief of distress in those counties of the State of California which are designated by the President of the United States as having been materially damaged by earthquake in the year 1933; be it further

Resolved, That said sum shall be disbursed by the Treasurer of the United States on the order of the President, or by such person, committee, or corporation as may be designated by him to administer such fund, to such persons, firms, or corporations as may be found by the President or his designees to be in need of relief or assistance; be it further

Resolved, That such sum shall be used, in such manner and under such regulations as the President may prescribe or as may be prescribed with his approval by any person, committee, or corporation designated by him, for the relief of distress occasioned by earthquake occurring in the year 1933 in such counties of the State of California as may be named by the President of the United States by Executive order.

Any unexpended balance of this appropriation shall be covered back into the Treasury.

The VICE PRESIDENT. The Senator from California asks unanimous consent for the present consideration of the joint resolution. Is there objection?

Mr. McNARY. Mr. President, the joint resolution provides an appropriation for the purpose indicated; I think it should be in the nature of an authorization. I have great sympathy for the sufferers in the stricken section of California. However, I think the joint resolution should be referred to the Committee on Appropriations. It may be that a lesser sum will suffice and it may be that a greater sum will be needed. Entertaining that view, Mr. President, I shall object to the immediate consideration of the joint resolution, and ask that it may be referred to the Committee on Appropriations.

The VICE PRESIDENT. Objection is made.

Mr. ROBINSON of Arkansas. Mr. President, I should like to ask the Senator from California a question. The Senator from Oregon [Mr. McNARY] objects to the present consideration of the joint resolution introduced by the Senator from California and suggests its immediate reference to the Committee on Appropriations. I should like to inquire whether the Senator from California acquiesces in that suggestion, and to indicate that, in all probability, the joint resolution will be very promptly acted upon?

Mr. McADOO. Mr. President, I am quite willing to have the joint resolution so referred if any Member of the Senate desires to have it take that course. There is, however, an emergency in southern California which should be promptly met. If I may feel that the committee will make a prompt report on the joint resolution, I will be quite content.

Mr. ROBINSON of Arkansas. The suggestion now made by myself is intended to facilitate action. As the Senator, I assume, will understand, no action can be taken for the present on the joint resolution in the Senate, due to objection that was made.

Mr. McADOO. I understand that to be so.

The VICE PRESIDENT. Objection being made, the joint resolution will be referred to the Committee on Appropriations.

DIRECT LOANS TO STATE BANKS

Mr. ROBINSON of Arkansas. Mr. President, I introduce a bill and ask its reference to the Committee on Banking and Currency.

May I say that this bill authorizes direct loans to State banks by Federal Reserve banks upon certification by the State banking commissioner or other officer charged with supervision of State banks that the loan is approved and that the bank is sound. The bill is intended to meet some of the criticisms that from time to time have been made on the floor of the bill that we passed. I am not certain that this is a material modification of existing law, but I think it will make clearer the provisions of existing law, and provide a more direct method of making loans to State banks.

The VICE PRESIDENT. The bill will be referred to the Committee on Banking and Currency.

Mr. ROBINSON of Arkansas. I ask that it be read.

The VICE PRESIDENT. Without objection, the bill will be read.

The bill (S. 320) to provide for direct loans by Federal Reserve banks to State banks and trust companies in certain cases, was read the first time by title and the second time at length, and referred to the Committee on Banking and Currency, as follows:

Be it enacted, etc., That title IV of the act entitled "An act to provide relief in the existing national emergency in banking, and for other purposes," approved March 9, 1933, is amended by adding at the end thereof the following new section:

"Sec. 404. During the existing emergency in banking, or until this section shall be declared no longer operative by proclamation of the President, but in no event beyond the period of 1 year from the date this section takes effect, any State bank or trust company not a member of the Federal Reserve System may apply to the Federal Reserve bank in the district in which it is located and obtain from said Federal Reserve bank direct loans under the terms provided in section 10 (b) of the Federal Reserve Act, as amended by section 402 of this act: *Provided*, That all applications for such loans shall be accompanied by the written approval of the State banking department or commission of the State from which the State bank or trust company has received its charter and a statement from the said State banking department or commission that in its judgment said State bank or trust company is in a sound condition."

Mr. GLASS. Mr. President, I may say, in connection with the bill just introduced, that the law already provides, in section 210 of the bill recently enacted, that any individuals, concerns, or corporations, including State banks, may go and receive direct accommodation from the Federal Reserve banks of their respective districts when they can not have accommodations from their correspondent banks. So that the matter now referred to the Banking and Currency Committee is already covered in a larger degree than is proposed by this measure.

Mr. LONG. Mr. President, as I understand, the measure just introduced by the Senator from Arkansas has been referred to the Committee on Banking and Currency.

The VICE PRESIDENT. That is correct.

Mr. LONG. I desire to say that I think this measure possibly covers the ground of a previous amendment which I have offered.

FEDERAL CONTROL OF BANKING

Mr. GORE. Mr. President, by request I introduce a joint resolution proposing an amendment to the Constitution of the United States, and ask that it may be read and referred to the Committee on the Judiciary.

The joint resolution (S.J.Res. 18) proposing an amendment to the Constitution of the United States relative to banking laws was read the first time by its title, the second time at length, and referred to the Committee on the Judiciary, as follows:

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled (two-thirds of each House concurring therein), That the following article is hereby proposed as an amendment to the Constitution of the United States, which shall be valid to all intents and purposes as part of the Constitution when ratified by the legislatures in three fourths of the several States:

1. Hereafter no State shall, without the consent of Congress, charter a bank, and all State laws on the subject of banking shall be subject to the revision and control of Congress.

2. The Congress shall have power to make all laws which shall be necessary and proper to provide for a more uniform system of banking throughout the United States.

REDUCTION OF EXPENDITURES—AMENDMENTS

Mr. DUFFY, Mr. MCGILL, Mr. MCKELLAR, and Mr. REED each submitted an amendment, Mr. BONE and Mr. STEIWER each submitted 2 amendments, Mr. LA FOLLETTE submitted 3 amendments, Mr. BLACK submitted 4 amendments, and Mr. MCCARRAN submitted 6 amendments intended to be proposed by them, respectively, to the bill (S. 233) to maintain the credit of the United States Government, which were severally ordered to lie on the table and to be printed.

Mr. DICKINSON submitted an amendment, Mr. COPELAND submitted 2 amendments, and Mr. WALSH submitted 3 amendments intended to be proposed by them, respectively, to the bill (H.R. 2820) to maintain the credit of the United States Government, which were severally ordered to lie on the table and to be printed.

REFERENCE OF BILLS AFFECTING JURISDICTION OF CONSTITUTIONAL COURTS

Mr. MCCARRAN. Mr. President, I submit a resolution and ask unanimous consent for its immediate consideration.

The VICE PRESIDENT. The Senator from Nevada offers a resolution, which will be read.

The Chief Clerk read the resolution (S.Res. 24), as follows:

Resolved, That all bills introduced during the Seventy-third Congress which affect the jurisdiction of constitutional courts shall, before passage by the Senate, be referred to the Committee on the Judiciary.

The VICE PRESIDENT. Is there objection to the present consideration of the resolution?

Mr. McNARY. Mr. President, I ask that the resolution go over under the rule.

The VICE PRESIDENT. The resolution will go over under the rule.

HEARINGS BEFORE THE COMMITTEE ON MILITARY AFFAIRS

Mr. SHEPPARD submitted the following resolution (S. Res. 25), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That the Committee on Military Affairs, or any subcommittee thereof, is authorized, during the Seventy-third Congress, to send for persons, books, and papers, to administer oaths, and to employ a stenographer, at a cost of not exceeding 25 cents per 100 words, to report such hearings as may be had on any subject before said committee, the expense thereof to be paid out of the contingent fund of the Senate; and that the committee, or any subcommittee thereof, may sit during the sessions or recesses of the Senate.

COMMITTEE SERVICE

Mr. REED. Mr. President, I submit the following order and ask unanimous consent for its immediate consideration. Mr. LA FOLLETTE. Let it be reported.

The VICE PRESIDENT. The Senator from Pennsylvania submits an order which the clerk will read.

The Chief Clerk read as follows:

Ordered, That the Senator from Ohio [Mr. FESS] be excused from further service on the Committee to Audit and Control the Contingent Expenses of the Senate; that the Senator from Maryland [Mr. GOLDSBOROUGH] be excused from further service on the Committee on Privileges and Elections, and that the Senator from Maryland [Mr. GOLDSBOROUGH] be assigned to service on the Committee to Audit and Control the Contingent Expenses of the Senate.

The VICE PRESIDENT. Is there objection to the present consideration of the order? The Chair hears none, and the order is entered.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. HAITIGAN, one of its clerks, announced that the House had passed a joint resolution (H.J.Res. 75) to provide for certain expenses incident to the first session of the Seventy-third Congress, in which it requested the concurrence of the Senate.

PAYMENT OF CONGRESSIONAL EXPENSES

Mr. GLASS. Mr. President, the customary joint resolution relative to the payment of expenses of the first session of the Seventy-third Congress has just been received from the House. In order to expedite the measure I take the liberty of asking that the joint resolution just received from the House be put upon its passage.

The VICE PRESIDENT. The joint resolution will be read at length.

The joint resolution (H.J.Res. 75) to provide for certain expenses incident to the first session of the Seventy-third Congress was read the first time by its title and the second time at length, as follows:

Resolved, etc., That the appropriations for mileage of Senators, Representatives, the Resident Commissioner from Puerto Rico, and the Delegate from Hawaii, and for expenses of the Delegate from Alaska and the Resident Commissioners from the Philippine Islands, contained in the legislative appropriation act for the fiscal year 1934, are hereby made immediately available and authorized to be paid to Senators, Representatives, Delegates, and Resident Commissioners for attendance on the first session of the Seventy-third Congress.

The appropriation for stationery for Representatives, Delegates, and Resident Commissioners, and for the committees and officers of the House, contained in the legislative appropriation act for the fiscal year 1934, is hereby made immediately available for expenditure on account of the first session of the Seventy-third Congress, notwithstanding the provisions of section 304 of the act of June 30, 1932 (47 Stat. 408): *Provided, That from such sum each Representative, Delegate, and Resident Commissioner shall be allowed \$90 for stationery allowance or commutation therefor.*

There being no objection, the Senate proceeded to consider the joint resolution, which was ordered to a third reading, read the third time, and passed.

MILEAGE OF MEMBERS OF CONGRESS

Mr. BORAH subsequently said: Mr. President, I desire to give notice of a motion.

The Senate has this morning passed House Joint Resolution 75, providing for the mileage of Members of Congress. I desire to enter a motion to reconsider the vote whereby that joint resolution was passed.

The PRESIDING OFFICER (Mr. CLARK in the chair). The motion will be entered.

Mr. BORAH. I understand that the joint resolution, together with the papers, has been sent to the other House.

The PRESIDING OFFICER. The Chair is informed that the joint resolution and papers have been sent to the other House.

Mr. BORAH. Then I move that the House be requested to return the papers.

Mr. LONG. Let me ask the Senator what is the purport of the joint resolution to which he has reference?

The PRESIDING OFFICER. The motion is not debatable.

Mr. LONG. I object, if it is what I think it is.

The PRESIDING OFFICER. Under the rules, the motion made by the Senator from Idaho is not debatable. The question is on agreeing to the motion.

The motion was agreed to.

"A SWIFT-MOVING DRAMA"—EDITORIAL FROM THE LEXINGTON HERALD

Mr. LOGAN. Mr. President, I ask unanimous consent to have printed in the RECORD an editorial from the Lexington (Ky.) Herald of March 11, entitled "A Swift-Moving Drama."

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

A SWIFT-MOVING DRAMA

The great drama in which the figures at Washington are the actors, the United States the stage, and the world the audience is moving with so great rapidity it is impossible to make review, difficult even to make comment.

There has been no drama in the long annals of recorded history that has moved with greater celerity, presented more startling contrast, than the drama that began with the inauguration of Franklin Roosevelt at noon March 4.

His speech was a bugle call that aroused the slumbering spirit of the Nation, that wrought an indefinable yet most potent change from the lethargy and lassitude of undefined but oppressive terror into the valiant spirit of hope and endeavor. It was a prologue to the fast-moving action that has already re-

sulted in the shattering of precedents, in the establishment of a new regime.

From that hour the actors in the play—the President and his chosen advisors and the representatives of the people gathered in the Halls of Congress—have given an unexampled demonstration of the effectiveness of courageous leadership. Fear, unjustified fear, has been banished; hope, justified hope, has been aroused.

In the crisis partisanship has been forgotten. The ablest and, heretofore, the most partisan Republican Senator has given unqualified approval and unstinted support to the program formulated by the Democratic President.

The banking system of the Nation, that has been the subject of long consideration and serious difference since the founding of the Government, has been placed under the control of the President, giving to him greater power than has ever heretofore been given to any one man or even exercised by the legislative branch of the National Government. For the first time in the history of the Nation Congress, with no dissenting voice in the lower House and but 7 votes in opposition in the upper House, has adopted a bill that is a radical departure from every precedent established during the 157 years of the life of the Republic. And the Nation gives joyous acclaim to that action.

The intelligence of the Nation responds to the frank declaration by the President of the actual facts of the situation that confronts the Nation. The analysis of the desperate situation of the Nation in his inaugural speech did not increase but allayed fear. His proclamation closing the banks of the Nation did not cause increased terror but brought a sense of relief.

Never was there a more apt illustration of the age-old truism that the spirit of the general is the spirit of the army; that an army of sheep led by a lion is more effective than an army of lions led by a sheep.

Today the whole power of Government is coordinated with the intellect and the experience, the conscience and the wealth of the Nation to restore the ravages wrought during the past years of terrorized lassitude. The Nation no longer fears. It faces with grim but buoyant determination the tremendous problems that confront it with the proud consciousness that whatever may be the hardships, however great may be the sacrifice, however catastrophic may be the effect upon individuals, the future of the Nation is safe, and that upon the foundation of faith and courage and intellect there will be rebuilt an edifice sounder and more beautiful far than the edifice the walls of which have been shaken and cracked, and some even crumbled, during the past several years.

Dramatic with speed have been the actions already taken. Quickly there must come a culmination to such dramatic speed. Slower, more difficult, will be the ultimate steps taken. Heart-burnings will come with the reduction in the expenditures of the Government. Animosity will be aroused as the imperative need for a revision and reduction in the expenses of Government and in the bounties given by Government to veterans and pensioners are modified to accord with the income of the Government.

Superb has been the courage of the President in seeking the authority to make such reductions. It will require the active and earnest desire of the people to insure the continued support of the President and his advisers to bring about those reductions. But there is no question that the people of the Nation, of every section, of every party, of every creed, of every class will give to him support that will insure the fulfillment of his purpose to reduce the expenses of Government so that it may be possible to make certain the obligations of the Government and to give to those who through no fault of their own face privation, the opportunity to maintain their lives, sustain their strength so that they may again become an integral and valuable factor in the upbuilding of a civilization that can be justified only by a recognition of the obligation of all as expressed through their Government to every citizen of the Nation.

PENDING LEGISLATION—CORRESPONDENCE OF SENATORS

Mr. COPELAND. Mr. President, I wish to present a personal matter. I should like the RECORD to show that I have this morning received hundreds of telegrams protesting against the pending legislation. Likewise I have received hundreds of other telegrams insisting that it be passed. I desire to say to my constituents that I am delighted to have these messages, but I hope they will forgive me if I do not respond personally to each one. By my vote I expect I will determine either for their satisfaction or for their disappointment where I stand on this measure.

RESTRICTIONS ON GOLD AND CURRENCY EXPANSION

Mr. WALSH. Mr. President, with reference to the emergency banking and currency legislation enacted by the Congress last Thursday, I ask unanimous consent to have printed in the RECORD and appropriately referred an article appearing in the Worcester (Mass.) Telegram yesterday, March 12, written by this newspaper's Washington correspondent, in which the questions of the restrictions now imposed on our gold and the currency expansion which Congress has authorized are explained and commented upon with excellent clarity and interest.

There being no objection, the article was referred to the Committee on Banking and Currency and ordered to be printed in the RECORD, and it is as follows:

UNITED STATES MONETARY SYSTEM IS BEING OVERHAULED—GOLD BECOMES FROZEN ASSET, PAPER MONEY A "MANAGED CURRENCY" SUSCEPTIBLE TO EXPANSION AS NEEDED

By Ralph Coolidge Mulligan

WASHINGTON, March 11.—Reopening of all solvent banks is assured. Adequate but sound currency is assured. Preservation of the Government's stock of gold—\$3,000,000,000 of it—is assured. The ordinary citizen, in the grip of a banking and currency cataclysm without parallel in our history, is content with the three foregoing assurances and is content to leave the details of these accomplishments to the President and Congress and the Treasury and the banks. At the moment, nothing else matters.

Two ordinarily paramount questions and vital considerations, namely, whether the United States is still on the gold standard and whether we are embarked on inflation and its twin sister, depreciated currency, and if so, how much and for how long, are subordinated for the time being in the immediate concern over the banking suspension. But the questions of gold and inflation are of tremendous potential effect and in the long run of far-reaching consequences.

CHANGE IN SYSTEM

Events of the past week mean much more than revival of banking and revision and regulation of banking methods. They mean a profound change in our monetary system. Our gold now becomes our frozen asset. Our paper money becomes a "controlled and managed" currency, susceptible of expansion without limit. We enter upon "controlled inflation," though the Washington spirit at the present is to taboo the word "inflation."

First is the question of the gold standard. Is the United States still on the gold standard, or is it off? It is a question that will be debated and disputed for a long time to come. Political leaders may answer it one way and political economists answer it differently. The facts appear to be beyond dispute, but are subject to contradictory interpretation.

TESTS OF GOLD

There are four elements which enter into the gold-standard question—four tests by which the answer is ordinarily determined.

The first is the gold content of the dollar. That is fixed by law and has remained constant since the foundation of the Republic. No one in authority proposes to change it now. To be sure, there have been suggestions that the gold content be reduced, in other words, that we stretch the same quantity of bullion gold to make an increased number of gold dollars.

Prior to President Roosevelt's inauguration there were whispers that he, too, might favor a "devaluation of the dollar," or as the economists say, "debasing the currency." That was denied at the time in Mr. Roosevelt's behalf and the events of the past few days give strong confirmation to the fact that he is opposed to the lowering of the gold content of the dollar.

So, by this first standard or test, namely, the gold content, we remain on the gold standard.

LIMITING COINAGE

The second test is whether we permit the free and unlimited coinage of gold; that is to say, whether anyone may go to the Government with gold bullion and have it coined into gold dollars. That has been a law since the establishment of the mint, and there is no proposal to change that law.

To be sure, an interesting question would arise if the producer of gold went to the mint tomorrow with his own honestly acquired gold bullion and asked to have it minted and have the gold coins returned to him in exchange, for, under the present proclamation, which, so far as it relates to gold, is likely to remain in force for many years to come, no individual citizen is to be permitted to retain gold coin in his possession. And so it would seem to follow that the gold miner after having his bullion minted into gold coins would be under some compulsion to turn the gold coins back in exchange for paper notes. But ostensibly the free and unlimited coinage of gold at the fixed standard of weight and fineness is unaltered.

So that by this test also we remain on the gold standard.

PAPER CURRENCY

The third aspect of the gold-standard question is the free and unlimited redemption of paper currency in gold coin. The President's proclamation has halted that. The United States has, for the present, suspended specie payments, just as it did in the Civil War. By that test we are, for the present, definitely off the gold standard. Our paper money continues to be secured in part by gold in the Government's vaults, but the holder of the paper money may not convert his paper into gold.

The fourth test is with respect to the export of gold in the settlement of international debts, public or private. The assumption has commonly prevailed that an essential requirement of a country on a gold basis was that settlements of trade balance could be made in gold.

EMBARGO ON GOLD

At the moment embargo on gold exports is absolute and complete, but it is the Government's intention, once finances are stabilized, to permit by specific license in each case the export of gold when, as, and if it appears to be for our Nation's interest to do so.

In discussing the gold question administration officials are quick to point out that though France, in the eyes of the world, is on a gold basis, nevertheless, no French gold may leave the country without permit from the French Government, and hereafter the United States is going to follow a similar course, and in so doing denies that the restrictions "take us off the gold standard."

The fact remains, however, that American paper currency, which is no longer freely exchangeable for gold, is well-nigh certain to sell at a discount in the world market in exactly the same way that the English pound note, which is still a pound to every Englishman, sells at a discount in the world market. What that discount will be so far as the American dollar is concerned will depend on many future events as yet impossible to forecast.

CURRENCY EXPANSION

The gold standard is one side of the change now being effected in our monetary system. The other side is the question of currency expansion and inflation.

We have had half a dozen different kinds of paper money and we have had no occasion to distinguish one kind from another, because, although the obligation to redeem the paper money in gold did not apply to all of the various kinds of paper money, nevertheless, in practice, heretofore any citizen who wanted to exchange his paper money for gold coin had no difficulty in doing so, regardless of what kind of paper money he happened to have.

FORMS OF CURRENCY

The principal forms of our present paper currency have been four:

(1) Gold certificates, issued by the Government—the traditional yellow-backed bill. For every dollar of such yellow-backed bills there was an actual gold dollar, or gold bullion in an amount equivalent to a dollar, in the Treasury vaults.

(2) Silver certificates, issued by the Federal Treasury, where there was an actual silver dollar in the Government vaults for every silver certificate issued.

(3) National-bank notes, which were the promises to pay of the individual national banks whose signatures were on the notes. To guarantee the payment of the note, the national bank which issues it is required to deposit an equivalent amount of Government bonds in the Federal Treasury and to deposit an additional 5 percent in cash in the Federal Treasury. National-bank notes are a form of currency backed only by Government bonds, not by any gold at all. But the amount of national-bank notes that might be issued has been and still is restricted to no more than the amount of the capital stock of the issuing bank. Thus, though a particular bank might hold and own a million dollars in Government bonds, it could issue its own bank notes for no more than the amount of its capital stock, which might be \$200,000.

FEDERAL RESERVE NOTES

(4) Federal Reserve notes, which were notes issued by Federal Reserve banks and behind which there must be not less than 40 percent in gold.

The United States Treasury issues a daily statement which shows at a glance all the essential figures respecting our gold and paper currency. On the statement for last Thursday, March 8, the gold certificates outstanding—that is, the notes behind which there is dollar for dollar in gold—totaled \$1,414,073,679. The silver certificates outstanding were \$485,369,889. The national-bank notes outstanding were \$907,343,005. The Federal Reserve notes outstanding were \$4,550,680,000. Thus it is seen that the outstanding Federal Reserve notes at present are greater than all of the other kinds of paper currency put together.

CHANGES UNDER WAY

The changes in our paper currency which are now being undertaken as part and parcel of the banking program are twofold. The gold certificates are to be called back into the Treasury just as rapidly and just as completely as humanly possible. The Federal Reserve notes are to be increased, together with issues of Federal Reserve bank notes.

So far as the individual citizen is concerned, it will be of no consequence to him whether the particular piece of paper money in his pocket is a Federal Reserve note or a Federal Reserve bank note, or whether, indeed, it is a silver certificate or a national-bank note. On the one hand, they are all backed by the credit of the Federal Government, and, on the other hand, none of them is redeemable in gold.

With respect to the Federal Reserve notes outstanding on March 8 in the total of \$4,550,680,000, as above stated, they were secured by \$1,931,656,000 in gold, \$1,755,975,000 in "eligible" short-term commercial paper, and \$864,400,000 in United States Government obligations.

WHAT HAPPENED

It may be pertinent to observe at this point with respect to Federal Reserve notes outstanding that in the first 8 days of March last year the total decreased approximately \$10,000,000 and in the first 8 days of this March the total increased more than \$1,300,000,000. Most of this increase occurred during the first 3 days of March preceding the banking suspension on March 4, which conveys some idea of the enormous demands of the banks for currency in those panic days.

The Federal Reserve Act in providing for the issuance of Federal Reserve notes specified that for every dollar of notes there should be at least 40 cents in gold and the other 60 cents might be in specified kinds of commercial paper rediscounted with the Federal Reserve by member banks.

FOREIGN "RAIDS" ON GOLD

A year or so ago, when our gold reserves were at their peak and when rediscountable paper was at a low ebb due to business stagnation, there was 70 cents or more of gold and less than 30 cents in paper back of every Federal Reserve note. Then came the foreign "raids" on our gold, which were met by the passage of the Glass-Steagall bill a year ago permitting Federal Reserve banks for the time being to put Government bonds back of their notes, but without change in the 40 percent gold requirement.

The Emergency Banking Act passed by Congress Thursday is going to permit Federal Reserve banks to issue Federal Reserve bank notes without limit, backed up by deposit of Government security. These notes may be issued up to 100 percent of the face value of the bonds. More than that, the Federal Reserve banks may issue notes against notes, drafts, bills of exchange, etc., deposited with them up to "90 percent of the estimated value."

TEMPORARY AFFAIR

There is no requirement for any gold-reserve backing for this new currency. It is intended to be a temporary affair. It is not expected that it will be necessary to issue any great quantity of such notes for very long, and, indeed, the act provides that the issuance of such notes shall terminate in 1 year, with the right of the President to extend it for an additional year if he sees fit. The speedy retirement of such notes is to be accelerated by the imposition of a tax on them, which the banks must bear.

The President's purpose in calling in all of the gold certificates is self-evident, for every dollar of gold certificates called in releases a dollar of gold in the Treasury, which in turn may go into the Federal Reserve bank as part of the 40 percent gold cover required for ordinary Federal Reserve notes.

The administration has not yet hit upon just what term may best be used to describe our currency system in the future. They shy away from the phrase "controlled inflation." They prefer the term "managed currency", by that meaning that the volume of currency is entirely flexible but is regulated by the Government according to necessities, just as it is in most of the countries of Europe.

The President has not yet been ready to publicly amplify and explain his phrase "adequate but sound currency"—the phrase of his inaugural address. The President, and virtually everyone else, is ready to concede that on Friday, March 3, the supply of currency was not "adequate" to the exigencies of the hour. On that day we did not have an adequate amount of currency and we are going to prevent a repetition of that day by taking off the limit so far as the issuance of currency is concerned.

On the other hand, with respect to sound currency, the President is said to share the well-nigh universal opinion that when a government begins to pay its bills with printing-press money its currency is unsound. The financing of Government deficits through the printing press will not be countenanced by Mr. Roosevelt. Additional Government bond issues to be rediscounted and currency issued in their place is contrary to the Roosevelt view, though many Democrats in Congress want to do just this thing.

The expansion of currency now authorized by the terms of last Thursday's Emergency Bank Act whereby Federal Reserve bank notes may be issued during the next year or two in whatever amount circumstances may require probably spells the doom of congressional proposals for the additional coinage of silver and for a bimetallic standard of gold and silver rather than gold alone. The silver advocates wish to increase the price of silver and at the same time cheapen our money, but their main argument for silver coinage has been that there was a shortage of money and that our supply of currency was not adequate to meet our needs. That argument is destroyed by the Federal Reserve bank-note plan for the issuance of bond-secured paper money.

CORRESPONDENCE OF SENATORS AFFECTING PENDING LEGISLATION

Mr. FESS. Mr. President, with many other Senators, I have been simply flooded with telegrams which generally relate to the pending legislation. When I classify them, so many for and so many against, they are about 50-50. This bundle [indicating] came this morning. I speak in the language of the Senator from New York [Mr. COPELAND] when I say it is simply a physical impossibility for me to reply in the usual way to these telegrams. I regret it, because they are not all propaganda. Some of them are to be so classified, but I have a telegram here, for instance, from the Governor of my State the Honorable George White, who would not communicate with me merely as a matter of propaganda, in which he heads a list of representative citizens urging support of the emergency proposal now pending.

All I can say—and I am doing this to relieve myself from an impossibility from my office standpoint—is that the legislation is of an emergency character; that these are very unusual times, and Senators will feel compelled to vote for projects for which ordinarily they would not think of voting. I want to say to all those who are writing to me and who are sending telegrams to me, as well as to those who are

thinking about the questions now before the country but are not communicating in writing, that, to the very best of my ability, I will do what, in my judgment, is the best thing for the public at large. My support of this emergency legislation is placed upon the public good. I realize that I cannot please everybody and would not be so unwise as to attempt it, and I also know I will displease a great many who will not agree with my views of what is best for the public weal. It is a difficult thing to attempt to reply in terms and impossible to answer each communication, and I am going to ask the privilege of having these telegrams merely noted in the RECORD; but not, of course, printed in full.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the telegrams will lie on the table and be noted in the RECORD.

The telegrams in the nature of petitions praying for the passage of legislation to maintain the credit of the Government of the United States, known as the economy bill, presented by Mr. FESS and ordered to lie on the table, are from Hon. George White, Governor of Ohio; Mayor Henry Worley, of Columbus; and about 450 other citizens and organizations, all in the State of Ohio.

The telegrams in the nature of memorials remonstrating against the passage of legislation to maintain the credit of the Government of the United States, known as the economy bill, presented by Mr. FESS and ordered to lie on the table, are from J. M. Rieger, commander Spanish-American War Veterans, Henry County, Ohio, and about 750 other citizens and organizations, all in the State of Ohio.

REDUCTION OF EXPENDITURES

The VICE PRESIDENT. The morning business is closed. Mr. HARRISON and Mr. ROBINSON of Indiana addressed the Chair.

The VICE PRESIDENT. The Senator from Mississippi. Does the Senator from Mississippi yield to the Senator from Indiana?

Mr. HARRISON. I desire to make a motion. Then I will yield to the Senator from Indiana.

Mr. ROBINSON of Indiana. I wanted the floor in my own right. Of course, the Senator should make his motion first.

Mr. HARRISON. I move that the Senate proceed to the consideration of Senate bill 233.

The VICE PRESIDENT. The question is on the motion of the Senator from Mississippi.

Mr. BORAH. Mr. President, of course, I am not going to oppose taking up the bill. I am willing to do so; but I suppose we will have some time in which to consider this bill on the floor.

Mr. HARRISON. Of course, the Senator from Mississippi has no desire to try to prevent legitimate and reasonable discussion of the bill, and realizes that it will be discussed in that degree.

Mr. BORAH. Very well, Mr. President. I simply wanted to have some understanding to that effect.

The VICE PRESIDENT. The question is on the motion of the Senator from Mississippi.

The motion was agreed to; and the Senate proceeded to consider the bill (S. 233) to maintain the credit of the United States Government, which had been reported from the Committee on Finance with amendments.

Mr. McCARRAN. Mr. President, I move that the bill be referred to the Committee on the Judiciary.

Mr. HARRISON. I ask for an immediate vote on that motion.

The VICE PRESIDENT. The question is on the motion of the Senator from Nevada. [Putting the question.] By the sound the noes appear to have it.

Mr. McCARRAN. I call for a division.

Mr. BORAH. Mr. President, I am not going to vote to refer this bill to the committee. I am willing to go forward with the consideration of the bill; but in doing so I wish to say that I think there is a very serious legal proposition involved. I am perfectly willing to proceed to consider it on the floor rather than to delay the bill.

Mr. McCARRAN. Mr. President, I doubt if there is any bill that will come before this body during this session that

strikes so vitally at the fundamental principles of our Government as does the bill now before the Senate.

When I say that I have reference to the three different branches of government—the legislative, the executive, and the judicial—established, if you please, by the founders of democracy in this country; established after a consideration that involved the best thought of this country, and has involved its best thought during all the years since the Constitution was adopted.

I am not going to address myself to the merits of the bill so far as dollars and cents are concerned; but I am going to address myself, with the permission of this body, to the thing that seems to me to relegate to the past the one department of our Government in which the layman, the average citizen, has confidence, and in which he places his confidence at all times. I refer to the courts of the country.

Whenever we destroy the confidence of the people of this country in their laws and in their law interpreters, we have destroyed the underlying and fundamental principles of our Government. Whenever we say that a man cannot take his cause to the courts; whenever we say that the courts have been relegated to a place where they can no longer have a voice in deciding controversies either between the individual and the Government, or between individuals; or between an individual and a department of the Government, then we have taken from the masses of the people the thing upon which the people rely.

I do not care what may be the merits of this bill from the standpoint of economy. I do not care, so far as this argument is concerned, what its merits may be so far as dollars and cents are concerned. What are its merits so far as the perpetuity of the American Government is concerned? That is the thing in which I am interested in the motion that I have made; and that was the reason why a moment ago I offered a resolution that all bills introduced during this Congress bearing upon or touching upon the jurisdiction of constituted courts should be referred to the Committee on the Judiciary.

Why refer these bills that involve the jurisdiction of courts to the Committee on the Judiciary? Because the Committee on the Judiciary has that special subject in mind at all times, and its members should be trained for that purpose. They were selected for that purpose.

This bill not only strikes at the question of dollars and cents, which will be dealt with hereafter, but it strikes at the question whether an individual shall be deprived of his day in court.

Mr. LONG. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Nevada yield to the Senator from Louisiana?

Mr. McCARRAN. I yield.

Mr. LONG. Does the Senator remember how we played the bands when we sent the boys to France and promised them every consideration when they came back? And does he think we are giving it to them when we deny them the right to have their constitutional rights passed upon by the Judiciary Committee?

Mr. McCARRAN. Mr. President, I am not going to deal with bands or bugles. I am going to deal with a constitutional proposition. I am going to deal with something that does not appeal to flamboyancy. I am going to deal here, with the permission of this body, with something that is not going to appeal to the galleries.

Mr. LOGAN. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. LOGAN. I should like to know what is before the Senate.

The VICE PRESIDENT. A motion to refer to the Judiciary Committee the bill taken up upon motion of the Senator from Mississippi, S. 233.

Mr. LOGAN. We had taken a viva voce vote, and a division had been called for. Can the matter be debated while a division is in progress?

The VICE PRESIDENT. That was on a different question. The Senator demanded recognition on his motion to refer the bill to the Judiciary Committee.

Mr. McCARRAN. Mr. President, returning to the subject that is uppermost in my mind, there may be those here who think that I am impelled by the flood of telegrams that come to the various Senators. I am impelled by something that is higher than is expressed in any telegram. I am impelled by a desire to maintain the integrity of the three divisions of our Government. I am impelled by a desire that the courts of this country, duly and legally and constitutionally organized, shall have a right to the last say in controversial matters, whether those matters be between the Government and the individual or between separate individuals.

Let it never be said of this, the Democratic majority in the Senate; let it never be said of this, the party that represents the principles of Jefferson, under whose guidance these three great departments of government were instituted—let it never be said to the spirit of Jefferson now, "We have relegated to the past one of the things that you wrote indelibly into the Constitution, that you fought for, because we have said by the voice of the Senate of the United States, by the voice of the Congress of the United States, that a soldier, a man who fought for his Government, who was entitled, in his judgment—if not in justice, at least in his judgment—to a pension, shall not have the right of review by the courts either by mandamus or otherwise." Let it never be said by a Democratic majority. Let it never be said by the Senate of the United States.

Mr. President, I know what the pressure is for the passage of this bill; I know that the word has gone out, "This must go through without amendment," but let it never be said that the voice of the Senate shall not be heard in furtherance of the perpetuity of our Government and its fundamental principles.

Mr. President, if this bill goes to the Committee on the Judiciary, where it should go, where it belongs, because one half of it involves law, while the other half may involve dollars and cents—if this bill goes to the Committee on the Judiciary, is there anyone who will dare say that the bill will be in any wise mutilated by that committee? Is there anyone here who would dare say that the Judiciary Committee, selected from both sides of this Chamber, is not competent to deal with those things which impinge upon the constitutionality of the bill itself? I hope not.

Mr. President, I submit to my Democratic brethren on this side of the Chamber, I submit to all those who stand for constitutional government, that this motion should prevail.

Mr. HARRISON. Mr. President, I merely desire to say that the pending bill was rightfully referred to the Committee on Finance. The Committee on Finance took some time in its consideration, permitting a hearing on the bill, and it is rightfully before this body now.

I move to lay the motion of the Senator from Nevada on the table.

The VICE PRESIDENT. The question is on the motion of the Senator from Mississippi.

Mr. McCARRAN. I ask for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk proceeded to call the roll.

Mr. WALSH (when Mr. COOLIDGE's name was called). My colleague [Mr. COOLIDGE] is necessarily absent, for reasons stated previously. If he were present, he would vote "yea."

Mr. LEWIS (when Mr. DIETERICH's name was called). I beg to announce that my colleague [Mr. DIETERICH] is detained at his home through emergency on account of illness. He has a general pair on this question with the Senator from South Dakota [Mr. NORBECK].

Mr. LOGAN (when his name was called). I have a general pair with the junior Senator from Pennsylvania [Mr. DAVIS], who is absent on account of illness. I do not have any knowledge as to how that Senator would vote if present, and I therefore withhold my vote. If I were permitted to vote, I would vote "yea."

The roll call was concluded.

Mr. LEWIS. I desire to announce that the Senator from Colorado [Mr. COSTIGAN] is necessarily detained from the Senate on official business.

I also desire to announce that the Senator from Nevada [Mr. PITTMAN] is necessarily detained from the Senate on official business.

Further I desire to announce the necessary absence from the Senate of the Senator from Wyoming [Mr. KENDRICK] and the Senator from Montana [Mr. WHEELER], they being absent by reason of the funeral of the late Senator Walsh.

Mr. HEBERT. Mr. President, I desire to announce the absence of the senior Senator from Nebraska [Mr. NORRIS], who is attending the funeral of his late colleague, Senator Howell.

I also wish to announce the necessary absence of the Senator from New Mexico [Mr. CUTTING], the Senators from Minnesota [Mr. SHIPSTEAD and Mr. SCHALL], and the Senator from South Dakota [Mr. NORBECK].

Mr. BULKLEY. Mr. President, I have a pair with the junior Senator from Wyoming [Mr. CAREY], who is absent in attendance on the funeral of the late Senator Howell. I do not know how the junior Senator from Wyoming would vote if he were present. I transfer my pair to the Senator from Montana [Mr. WHEELER] and vote "yea."

The result was announced—yeas 60, nays 20, as follows:

YEAS—60

Adams	Capper	Hebert	Robinson, Ark.
Ashurst	Copeland	Johnson	Russell
Austin	Dale	Kean	Sheppard
Bachman	Dickinson	Keyes	Smith
Bailey	Dill	King	Stelwer
Bankhead	Fess	Lewis	Stephens
Barbour	Fletcher	Loneragan	Thomas, Utah
Barkley	George	McAdoo	Townsend
Bone	Glass	McKellar	Trammell
Bratton	Goldsborough	McNary	Tydings
Brown	Gore	Metcalf	Van Nuys
Bulkley	Hale	Murphy	Wagner
Bulow	Harrison	Overton	Walcott
Byrd	Hastings	Pope	Walsh
Byrnes	Hayden	Reed	White

NAYS—20

Black	Couzens	Long	Patterson
Borah	Duffy	McCarran	Reynolds
Caraway	Frazier	McGill	Robinson, Ind.
Clark	Hatfield	Neely	Thomas, Okla.
Connally	La Follette	Nye	Vandenberg

NOT VOTING—14

Carey	Davis	Norbeck	Shipstead
Coolidge	Dieterich	Norris	Wheeler
Costigan	Kendrick	Pittman	
Cutting	Logan	Schall	

So Mr. McCARRAN's motion to refer the bill to the Committee on the Judiciary was laid on the table.

Mr. BLACK. Mr. President, in order that the reason why I voted as I did may be understood, I desire to state that if the merits of the motion to refer the bill to the Committee on the Judiciary had been submitted to the Senate, I would have voted against sending it to the Committee on the Judiciary. I voted, however, against the motion to lay on the table by reason of the fact that there had been no opportunity for discussion, and only one Senator had expressed himself upon the motion.

Mr. HARRISON. Mr. President, I shall not occupy the floor at length, and I am going to ask the courtesy of the Senate by requesting that I be not interrupted until I have had opportunity to explain the various sections of the bill. Following my explanation of the bill, I shall try to answer any questions which may be propounded.

Mr. President, while the bill does contain a grant of certain powers which Senators and Representatives would not, in ordinary times, desire to delegate, I need not remind this body of the tragic happenings throughout this country which call for exceptional action.

The first section of the bill, and the first title, gives to the President, within the limitations of the appropriations and the limitations of law, power to fix rates of pensions in service-connected cases, as well as non-service-connected cases, of persons suffering permanent disability. It gives the President full power also to fix rates with reference to widows and children and dependents of those who died as a result of injuries incurred in line of duty.

Subsection (d) applies to Spanish-American War widows and orphans, and subsection (b) applies to non-service-connected permanent-disability cases of those who were

placed on the rolls if they enlisted before November 11, 1918.

Subdivision (e) would prevent from being considered any case of permanent disability incurred by one who enlisted after November 11, 1918.

Those are the powers conferred upon the President in title I and in those subsections.

Under the present law, in case of death, the minimum is \$12 and the maximum is \$75. In case of disability the minimum is \$6 and the maximum \$275. Under the terms of the bill the President can only act within the limits of \$275 and \$6 in the case of injuries and within the limits of \$12 and \$75 in the case of death. In other words, he can not exercise the power to go beyond or increase the \$275 or to go below or reduce the minimum of \$6. Anything between these amounts he is given the absolute power to fix.

Section 3 of the bill is the power provision that gives to the President authority to fix rates, change degree of disability, apply different rates to persons in different wars, only within the limitations found in other sections of the bill. In fixing these rates he can differentiate as between war-time injuries, peace-time injuries, and non-service-connected disability cases.

Section 4 is the power provision that authorizes the President to make regulations touching the services of a soldier, the duration of the war, the nature of proof, the establishment of such presumptions as he deems proper, and any other basic requirement in the fixing of rates or time of service or requirement for pension.

Section 5 gives to the Veterans' Administrator only such authority as the Administrator now has. The only purpose of this section is that after the President has announced the regulations and fixed the rates the decision shall be final, and that, acting under those regulations and rates, whatever decision the Administrator shall make shall be final.

Section 6 provides for hospitalization for service-connected cases and domiciliary care and hospital care for nonservice permanently disabled veterans. The nonservice cases under the terms of the bill cannot get hospitalization. They can only get domiciliary care, but in the soldiers' homes there is maintained some hospital treatment. Under the present law non-service-connected cases, whether permanently disabled or not, have not only domiciliary care but hospital care, and to the extent the domiciliary care is now provided for permanent cases the character of the law is not changed. It is further changed by the elimination of hospitalization in that type of cases.

Section 7 confers no additional authority but carries out the authority already given.

Section 8 gives the power to the Administrator to delegate his power but prohibits the delegation of any authority by the President in fixing the regulations. The Administrator of Veterans' Affairs under the existing law has that power.

Section 9 deals with claims and fixes the payment date as related to the date of filing claims. Under the present law they have a year's payment before the filing of claim. Under the terms of the pending bill they will get nothing until they have filed the claim. It also provides that after the President has granted a rehearing and final decision is made the case shall not be reopened. Under it the President must establish the procedure having to do with awarding or disallowing claims, and, if disallowed, having to do with reversal thereof.

Section 10 applies to officers' retirement pay and changes the present law in two respects. First, it limits the time of service between April 6, 1917, and November 11, 1918, for those officers to get retirement pay. The present law is effective in cases up to July 2, 1921. The time between November 11, 1918, and July 2, 1921, that is eliminated by the pending bill.

Second, the injury must be directly traceable to military or naval duty. That is not true under the present law. It differs from the present law in that injuries under the present law need not be directly traceable to military or naval duty.

Sections 11, 12, 13, 14, 15, and 16 merely reenact the penal provisions of the present law.

Second 17 repeals the renewable war-insurance provision; that is, insurance that was provided during the war, which has cost the Government \$1,700,000 more than the premiums that have been paid into the fund. In that law, it will be recalled, it was provided that that kind of policy could be converted into peace-time insurance later on. Since then they have had two opportunities to convert.

Mr. McCARRAN. Mr. President—

Mr. HARRISON. Mr. President, I hope the Senator will let me proceed; and when I shall have concluded, I shall be glad to yield to the Senator.

That provision in section 17, it is true, dismisses a great number of cases now pending in the courts. That section also provides that payment under existing law shall continue for 3 full months following the enactment of this bill into law.

Section 18 provides for a 10-percent reduction to Civil War pensioners.

Section 19 provides that after the expiration of 2 years from the passage of this act, whatever regulations the President shall have made shall become effective, and they cannot be changed except by act of Congress. That was a provision that was adopted by the Finance Committee.

Mr. WALSH. Mr. President, will the Senator repeat that, please?

Mr. HARRISON. Section 19 provides that after 2 years whatever regulations have been adopted by the President shall then become in force and effective and not further changed except by act of Congress.

Those are all the sections that pertain to veterans. I now come to title II of the bill.

Section 1, paragraphs (a) and (b), deal merely with definitions of officers and employees and compensation. Under the definition of compensation it will be noted that this does not include payments out of any retirement, disability, or relief funds made up wholly or in part of contributions of employees. That kind of fund is not touched.

Section 2 merely makes the law applicable to the fiscal year ending June 30, 1934, and for the remainder of the present fiscal year. The reason for paragraph (a) is that we want to be sure that the 15-percent cut is not based on the already-existing 8½-percent cut, but that the compensation arrived at shall be based on the salaries that were paid prior to the adoption of the economy act, taking into consideration section 3 that follows, which bases compensation on reductions based on the cost of living; namely, agencies of the Government shall ascertain the basic cost of living during the last 6 months of the year 1928, and then take the last 6 months of the year 1932, and whatever reduction there may be in the cost of living a like ratio shall be applied in the reduction of the pay of employees. Then it authorizes the agencies of the Government to continue their survey with reference to the cost of living every 6 months and based on whatever change is found, the President has the power to increase salaries or decrease them further as the case may be. Of course, in the limitation that is based as I have explained, he cannot decrease a salary more than 15 percent and cannot go higher than the compensation paid prior to the passage of the Economy Act.

Mr. BLACK. Mr. President, will the Senator yield on that particular point?

The PRESIDING OFFICER (Mr. SHEPPARD in the chair). Does the Senator from Mississippi yield to the Senator from Alabama?

Mr. HARRISON. I much prefer to conclude my explanation and then I shall be glad to yield.

Mr. LONG. Mr. President, there are several Senators who want to find out if this affects retired officers' pay.

Mr. HARRISON. Yes; retired officers' pay is covered in another section and is reduced 15 percent, the same as the pay of every Army officer and every naval officer is reduced, and the same as the pay of every man in the Army and Navy is reduced. The other provisions that apply are that those officers who get retirement pay must prove that their disabilities were incurred while in line of duty.

Section 4 reenacts the provisions of the Economy Act that are in conformity with this act and repeals the furlough plan and such other parts of the Economy Act as are not in conformity with this act.

Title III is the next provision to which I come. It will be recalled that in the adoption of the Economy Act, if the President issued an Executive order to effect economy, the Congress should have 60 days in which to pass on the proposition. It was felt that if the President is to be able to effect these economies now and the American taxpayers obtain any relief, that part of the law should be changed, and that the Executive order should become effective 60 days after its issuance whether Congress is in session or not. In other words, if we should adjourn Congress tomorrow and the President should issue an Executive order today and send it here, it would become the law 60 days from now.

That, Mr. President, is a brief résumé or explanation of the terms of the bill. The whole milk in the coconut is that we are giving to the President broad and exceptional powers, within certain limitations and appropriations, to fix the rate, change the classifications, fix the duration of the war, fix the time of service, and other matters that enter into questions of compensation paid by the Government.

We appreciate that we have tried here in the Senate and in the House for a long time to effect some economies with reference to the compensation of veterans. Every such effort has proved abortive. We have not been able to do anything. The influence has been too strong. I realize today that not a man who honors me with his presence wants to vote these tremendous reductions and perhaps eliminations of allowances that may now be paid to the veterans, or that they get any glorification or gratification out of the fact that we are going to reduce the pay of employees in the Government service.

It would be much better if the old-time prosperity were now hovering over the country and if huge surpluses were in the Treasury of the United States in order that this proposition might be eliminated and not presented to us. But, Mr. President, children know, and certainly everyone in this body appreciates, that something must be done in the way of economies, in the way of retrenchment, working toward a balancing of the Federal Budget, and that we must handle this matter with chins up and chests thrown out and take the consequences—because, indeed, there are consequences.

There are men who say, "I do not want to give to the President the power to reduce the pay of one who entered into actual conflict and has become disabled." "That class of cases should be eliminated," someone may say. That proposition was advanced in the Committee on Finance. Everyone has to do with that proposition. But I have that amount of confidence in the President of the United States, knowing the humanity of the man, knowing his friendliness to these men, that I feel no hesitancy in lodging with him the power to differentiate, because he will have the power to do that, between that class of cases and those who might be disabled from non-service-connected causes.

We will never retrench, we will never balance the Budget, unless we go straightforward. We are going to make enemies, it is true. My office is flooded with telegrams, as are the offices of other Senators, but never since the great World War has a higher responsibility been placed upon the Congress than now. That same responsibility has been placed upon the President of the United States. The President has assumed that responsibility; he has electrified the Nation; he has glorified himself by the prompt and patriotic manner in which he has moved in the effort to save the banking structure of the country. If the banking structure had not collapsed, I have no doubt that the President's message on economy, which rang through this Chamber and the Nation the other day, would have been the first message to come to us, because it suggests the first step to be taken in restoring confidence in the country and in balancing our Budget.

It is estimated that there will be a possible saving in this proposed legislation of between 500 million and 600 million

dollars. The President in his message has stated that if we shall enact this legislation and give him this power he may be able to balance the Budget without imposing increased taxes upon the people, thus obviating the necessity of having that great problem presented to us.

Let me merely refresh the recollection of the Senate by reading a few words from the message sent to Congress by the President a few days ago:

We must move with a direct and resolute purpose now. The Members of the Congress and I are pledged to immediate economy.

I am, therefore, assuming that you and I are in complete agreement as to the urgent necessity, and my constitutional duty is to advise you as to the methods for obtaining drastic retrenchment at this time.

I am not speaking to you in general terms. I am pointing out a definite road.

The President believes that the election which was held last November meant something; that it commissioned him, as Commander in Chief of the American people, to frame a plan and to go through with it, and to act quickly and courageously. In the end, my friends, when we do that, even though for the present we may make political enemies, if we can save this great country, if we can preserve the credit of this Government, if we can by our action here prevent the laying of the iron hand of taxation further upon the backs of the American people, we shall have done very well in this emergency.

I am delighted, and as a Democrat, I congratulate those fine men in the other House and those fine men here who occupy seats on the other side of the aisle and who are known as "Republicans" for laying aside every degree of partisanship in this crisis and giving to the President unstintedly the power that he has asked in the interest of the common welfare of the American people. I hope that partisanship will not rear its head in this debate. I shall not try to cut off debate unless, of course, it shall be shown that unnecessary time is being taken. I know the pending legislation is of such momentous character, is so delicate, contains so many possibilities and potentialities, that Senators naturally desire to speak and express themselves. I realize also that Senators may offer amendment after amendment and propose to cut out provision after provision of this proposed legislation, and, indeed, to reconstruct the whole bill.

Ordinarily many such amendments would appeal to me, as they would appeal to other Senators, but let me ask Senators to remember that this is a bill that was prepared at the instance and under the direction of the President of the United States. It is his conception; it is his proposal; it embraces the power which he asks us to give him in order to effectuate this great saving to the taxpayers of the country. So I hope, no matter how ingeniously an amendment may be drawn, how plausible it may appear, and however much it may appeal to us, that we shall go through with the consideration of the pending bill, vote down amendments, and do it as speedily as we can, so that we may hasten this bill to the White House, let it receive the signature of the President, and become a law, in order that confidence may be restored and the pending confusion now rampant in the country, because of the collapse of our banking institutions, may disappear and we may revive the drooping spirits of men and women everywhere, and send a warning throughout the world that the credit of the Government of the United States is going to be preserved and that all of us are going to make our sacrifices at this time.

Now I will yield for questions.

Mr. REED. Mr. President, will the Senator from Mississippi yield to me for a question?

The PRESIDING OFFICER. Does the Senator from Mississippi yield to the Senator from Pennsylvania?

Mr. HARRISON. I yield to the Senator.

Mr. REED. Can the Senator assist us by indicating approximately when he expects to get a final vote upon the bill?

Mr. HARRISON. I had hoped that we might get to a vote sometime this afternoon, but, of course, one can always make bad guesses in this body. [Laughter.]

Mr. VANDENBERG. Mr. President—

The PRESIDING OFFICER. Does the Senator from Mississippi yield to the Senator from Michigan?

Mr. HARRISON. I yield.

Mr. VANDENBERG. Will the Senator apportion the estimated savings as between title I and title II of the bill?

Mr. HARRISON. The estimated possible saving in title I is \$383,000,000.

Mr. WALSH. That is the maximum?

Mr. HARRISON. That is the maximum possible saving, but I would not say the President would effect that much, because, as I have said, the President may, of course, in the regulations promulgated by him, determine not to reduce the compensation of a veteran who was injured in actual conflict.

Mr. VANDENBERG. Mr. President, will the Senator now refer to title II and give me an estimate of the saving under that title?

Mr. HARRISON. The estimated saving is between eighty million and a hundred million dollars.

Mr. BARKLEY. Mr. President—

The PRESIDING OFFICER. Does the Senator from Mississippi yield to the Senator from Kentucky?

Mr. HARRISON. I yield.

Mr. BARKLEY. The Senator from Mississippi answered the Senator from Michigan that \$383,000,000 would be the maximum saving. That, however, does not take into consideration the possible reductions in the rate of compensation now being paid under the law. That \$383,000,000 is the maximum amount that may be saved by eliminations, but not by reductions in compensation to those who are receiving compensation. In other words, if the President should exercise his full power to eliminate all the non-service-connected cases, he might take them off the roll entirely and add to other savings brought about by elimination. The maximum amount would be \$383,000,000; but that does not include possible reductions in the compensation of service-connected cases and non-service-connected cases still left on the roll.

Mr. HARRISON. That is why General Hines said it was almost impossible to calculate the amount in a definite way.

Mr. VANDENBERG. Let me ask the Senator how much of the \$383,000,000 is made up of reductions in service-connected cases?

Mr. HARRISON. That is set forth in the hearings in the testimony of General Hines. According to the testimony of General Hines, that amount is estimated at \$101,000,000.

Mr. WALSH. On page 40 of the hearings before the Committee on Finance of the United States Senate there is a statement by General Hines on the probable savings, which are enumerated item by item.

Mr. VANDENBERG. Then, if the service-connected disabilities were not included, the \$383,000,000 would be reduced by some one hundred and odd million dollars?

Mr. HARRISON. It might be; there is a possibility of it being reduced, or there is a possibility, as was pointed out by the Senator from Kentucky, of it being increased beyond the figures given.

Mr. BLACK and Mr. KEAN addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Mississippi yield; and if so, to whom?

Mr. HARRISON. I yield first to the Senator from Alabama.

Mr. BLACK. Mr. President, with reference to subdivision (b), on page 13, I understood the Senator to construe that subdivision to authorize the President not only to lower salaries, if the price index justifies, but to raise salaries, if the price index justifies.

Mr. HARRISON. Yes; he can not go beyond what the law was before the passage of the pending bill—beyond the Welch bill, for instance.

Mr. BLACK. The intention of that section, then, is just as I said. I will say to the Senator that it is my judgment, and the judgment of some lawyers who have looked into that section, that it does not confer that power, and two of the

amendments which I have said I intended to offer are expected to make plain the interpretation, and to provide, as I have said was intended all the time, that not only should the President have the opportunity to lower salaries but, if there should be an increase in prices by inflation or otherwise, that he would have the right to raise them. I shall call the attention of the Senate to that question later.

Mr. HARRISON. All the information the Committee on Finance received was to the effect that the President would have the power to increase them if the survey showed an increased cost of living during the following 6 months, and so on. If the provision needs any clarification, the Committee on Finance would have no objection to a proper amendment.

Mr. BLACK. There is one further question I desire to ask the Senator. On page 5, those suffering from non-service-connected disabilities are deprived of the right of hospitalization. I was wondering if the record shows what saving that will make.

Mr. HARRISON. According to the estimate of General Hines, the saving would be \$9,000,000.

Mr. McKELLAR. Mr. President—

Mr. HARRISON. I yield to the Senator from Tennessee.

Mr. McKELLAR. I wish the Senator would look at section 8, on page 20, which reads as follows:

The appropriations or portions of appropriations unexpended by reason of the operation of this title shall not be used for any purpose, but shall be impounded and returned to the Treasury.

It may be that in title I there is a similar provision, but I have not found it.

Mr. HARRISON. There is no such provision in that section.

Mr. McKELLAR. Will not there be considerable savings under title I, and ought they not likewise be impounded in the Treasury? It seems to me that the provision I have read should apply to the act as a whole, rather than merely to one title.

Mr. HARRISON. I may say that the independent offices bill for next year was not enacted at the last session of Congress, and it may be that we can take care of that situation during the consideration of that bill.

Mr. McKELLAR. Would there be any possible objection to impounding whatever savings may accrue from the entire bill? Unless there should be some such a provision in the independent offices appropriation bill—and that might muddy the waters—it seems to me the savings of the entire bill should be impounded into the Treasury, to make the result absolutely sure.

Mr. HARRISON. I thank the Senator for his suggestion, and it may be that such a provision ought to be put in the bill.

Mr. CLARK and Mr. KEAN addressed the Chair.

Mr. HARRISON. I yield to the Senator from Missouri.

The PRESIDING OFFICER. May the Chair call the attention of the Senator from Mississippi to the fact that the Senator from New Jersey has been trying to get recognition for perhaps 10 or 15 minutes.

Mr. HARRISON. Very well; I yield to the Senator from New Jersey.

Mr. KEAN. Mr. President, I am in sympathy with the pending bill, and I am glad to see the Senator from Mississippi come out in favor of economy. I note, however, that he has changed his position from that of a year ago when on a vote to give the then President of the United States, Mr. Hoover, authority to do away with bureaus, he changed his vote from yea to nay when there was a tie in the Senate. So I congratulate him on his new position.

Mr. HARRISON. Well, I was at least right one time, may I say to the Senator? [Laughter in the galleries.]

The PRESIDING OFFICER. The occupants of the galleries will preserve order.

Mr. HARRISON. And may I say to the Senator, since he refers to my coming out for economy, I remember one day, I think it was during one of the first speeches made in the interest of retrenchment and economy, that my good friend

from New Jersey on the other side did me the honor to shed crocodile tears over it.

Mr. CLARK. Mr. President—

Mr. HARRISON. I yield to the Senator from Missouri.

Mr. CLARK. Mr. President, I should like to invite the attention of the Senator for a moment to paragraph (e) on page 2, which reads as follows:

For the purpose of subparagraph (b) of this section, the war shall be deemed to have ended November 11, 1918.

In view of the very extraordinary dictatorial powers granted to the President of the United States by this bill, I should like to inquire of the Senator why it is that no power to exercise any discretion in this matter is given to the President of the United States? His hands are tied.

I submit that there is no difference between a man who suffered a total disability while in the service, of service origin, in line of duty, on the 12th of November, 1918, and a man who suffered it on the 10th of November, 1918, or on the 11th of November, 1918. There were many, many cases in the American Expeditionary Forces—and, for that matter, in the troops still in service on this side of the water—where a total permanent disability was suffered as a result of conduct in line of duty in the service. As a matter of fact, a complete war was carried on after the 11th of November, 1918. We sent to Russia the American Expeditionary Forces, which were engaged there in some skirmishes and small battles of fair magnitude in which many casualties were suffered.

It seems to me absolutely illogical to grant these extraordinary dictatorial powers to the President of the United States in every other particular, and then absolutely to tie his hands as to any discretion in this matter.

Mr. HARRISON. May I say to the Senator that this provision does not apply to service-connected cases; and as to non-service-connected cases, that is the present law. November 11 is the date.

Mr. GEORGE. Mr. President—

Mr. HARRISON. I yield to the Senator from Georgia.

Mr. GEORGE. Under the present law the enlistment must have occurred prior to November 11, 1918; that is all.

Mr. ROBINSON of Indiana. Mr. President—

The PRESIDING OFFICER. Does the Senator from Mississippi yield to the Senator from Indiana?

Mr. HARRISON. Does the Senator wish to ask me a question?

Mr. ROBINSON of Indiana. I wanted the floor in my own right.

Mr. HARRISON. I am going to yield the floor in a few moments. I am sorry to have delayed the Senator, but I thought I ought to explain this bill.

Mr. FLETCHER. Mr. President, before the Senator from Indiana takes the floor I should like to ask the Senator from Mississippi a few questions regarding the bill.

Mr. HARRISON. I shall be glad to answer them.

Mr. FLETCHER. In the first place, I should like the Senator to explain if there is anything technical or anything that will need some clarification regarding the use of the word "active" on page 2, for instance, in line 1:

Any person who served in the active military or naval service.

And, further on, in line 13, the language is:

Injury incurred or aggravated in line of duty in the active military or naval service.

Mr. HARRISON. That is the present law, may I say to the Senator from Florida.

Mr. FLETCHER. I was wondering whether it would not be sufficient just to say "in the military or naval service," so as to leave out any question as to whether it was active military service.

Mr. HARRISON. That expression has already been construed and is in the present law.

Mr. FLETCHER. Then I should like to ask the Senator also if he does not think section 5 gives rather extraordinary power. It denies access to the courts in cases where there might be very meritorious controversies arising. It simply

closes the door to all courts and leaves the whole thing in the hands of the Administrator. Did the committee consider that?

Mr. HARRISON. Yes; the committee considered that; but they felt that when the President, under this power, which is quite arbitrary, had fixed the regulations, there ought to be no appeal from that, and that so far as the decision of the Administrator was concerned there should be no appeal from that.

Mr. FLETCHER. Then a great deal will depend on those regulations, of course.

Mr. HARRISON. Yes.

Mr. FLETCHER. That may fix the thing satisfactorily.

On page 6, after line 22, there is a provision with reference to disability for which an officer has been retired, resulting "from disease or injury or aggravation of a pre-existing disease or injury incurred in line of duty." Would it not be well to insert there "in the active military or naval service"? I suggest the insertion of those words.

Mr. HARRISON. There would be no objection to that; but we will look into that, may I say to the Senator.

Mr. FLETCHER. I shall be glad if the Senator will consider that.

Then, hurrying on with the reading of the bill, I find on page 10 this language:

Provided, That nothing contained in this section shall interfere with payments heretofore made or hereafter to be made under contracts of yearly renewable term insurance which have matured prior to the date of enactment of this act and under which payments have been commenced.

That is pretty broad language.

Mr. HARRISON. That was put in to protect existing payments.

Mr. FLETCHER. Exactly; but the question in my mind is whether it protects those cases where action has been brought in the court and judgments have been actually entered but the payments have not been made.

Mr. HARRISON. May I say that the counsel for the administration said that those cases would not come under this measure.

Mr. FLETCHER. I have here a telegram from an attorney who is familiar with this matter, who says:

Certainly there should be exception as to such pending cases and cases where plaintiff has recovered judgment and appeal has been taken, some of which judgments are a year old.

We ought not to exclude those cases, I think.

Mr. HARRISON. I will say to the Senator that this act was the old War Risk Insurance Act, which was based upon no peace-time insurance at all, and which carried a provision that the policies were to be converted 5 years after the close of hostilities. Most of them, practically all of them, have been converted. Then we granted additional time in which to convert them; and the claims that are now pending are 14 years old, in most cases.

Mr. FLETCHER. Evidently there are some cases pending in the courts which have not yet arrived at judgment, and even some cases where judgment has been entered which have not been finally settled. It seems to me there ought to be an exception made of those cases and that we ought to allow them to proceed to payment, and not deprive them of their right of payment when final judgment of a court has been entered.

Mr. McCARRAN. Mr. President, will the Senator yield for a question in that connection?

The PRESIDING OFFICER. Does the Senator from Mississippi yield to the Senator from Nevada?

Mr. HARRISON. I was going to yield to the Senator from Massachusetts [Mr. WALSH]; but if the question of the Senator from Nevada has direct reference to this matter, I will yield to him first.

Mr. McCARRAN. It has.

Is it not true that under the present provisions of the pending bill all unsatisfied judgments will be affected to the extent that they would be set aside?

Mr. HARRISON. I think that is true.

Mr. McCARRAN. And all cases that are now pending, that have not come to trial, would be immediately terminated?

Mr. HARRISON. I think that is true. We had to draw a line somewhere; and the President thought the line should be drawn there, because they have had all this time in which to convert this other insurance.

Several Senators addressed the Chair.

The PRESIDING OFFICER. To whom does the Senator from Mississippi yield?

Mr. HARRISON. I yield to the Senator from Massachusetts [Mr. WALSH].

Mr. WALSH. Mr. President, the Senator from Michigan [Mr. VANDENBERG] made an inquiry about the possible economies realized under this measure; and attention was called to the table that General Hines furnished the committee.

I should like to call attention to the fact, and I ask the Senator if he agrees with me, that there are two classes of compensation cases where injury or disease is traceable to service. One is classified as direct disabilities that are service connected, and the other is classified as disability compensation established by legal presumptions. There are, as a matter of fact, 182,214 veterans who are receiving compensation because of direct disabilities and direct diseases traceable to service. On the other hand, there are 152,600 veterans who are receiving compensation for disabilities traceable to service based upon presumptive laws.

As I read this table, General Hines has provided for eliminating, or assumed that the President might eliminate, in reaching this figure, all these compensation cases that are founded upon presumptions of law that the disease was contracted in the service, such as tuberculosis and neuropsychiatric cases; and I call the Senator's attention to item 9 in General Hines' table.

Eliminate all presumption for disability compensation and emergency officers.

A saving of \$100,000,000.

It is inconceivable to me that the President would go so far as to sweep aside all these presumptive cases, 90 per cent of whom are tubercular and neuropsychiatric. I believe the President would at least provide pensions. Therefore, I think that saving is more or less exaggerated.

Mr. HARRISON. The Senator has stated the fact.

Mr. WALSH. But the point I rose to make was that so far as I can analyze this table, the only veteran cases where there is assumption that there will be limited reductions, although there is the authority to do so, are the direct compensation cases, where the injury or disease is directly traceable to service; but even there there is an assumption of reductions in item 5 and in item 22, as follows:

One rating table, five rates \$10, \$25, \$50, \$75, \$100 average impairment; estimated savings, \$40,000,000.

Reduce all remaining benefits by 10 per cent.

So I interpret this table to indicate the possibility of the President removing from the rolls all veterans who are now compensated and who are assumed to have contracted their disease in the service because of presumptive laws we passed, eliminating them, and retaining the direct cases but reducing compensation by \$40,000,000 and also with a general cut of 10 per cent. Am I correct in my interpretation?

Mr. HARRISON. I think the Senator is eminently correct.

Mr. RUSSELL. Mr. President—

The PRESIDING OFFICER. Does the Senator from Mississippi yield to the Senator from Georgia?

Mr. HARRISON. I do.

Mr. RUSSELL. I have endeavored to follow the Senator. If I understood him correctly, section 18, on page 10, is the only provision of the bill that affects any pensions or gratuities that arose from service prior to the Spanish-American War. Was it the intention of the Committee on Finance to make that reduction of 10 per cent apply for only 1 year, and then that the payment should be restored to its prior figure?

Mr. HARRISON. That applies just for 1 year, may I say. It applies only to Indian War and Civil War veterans.

Mr. RUSSELL. All of the disability allowances are permanent legislation?

Mr. HARRISON. They are.

Mr. RUSSELL. This is only for 1 year?

Mr. HARRISON. That is temporary; that is all.

Mr. BLACK. Mr. President—

The PRESIDING OFFICER. Does the Senator from Mississippi yield to the Senator from Alabama?

Mr. HARRISON. I do.

Mr. BLACK. I probably misunderstood the Senator a moment ago in answering a question of the Senator from Nevada. Is it correct that under section 17, in certain cases where judgments have been obtained against the United States and have not been satisfied, they may be cut off?

Mr. HARRISON. If they are unsatisfied, the President has the power under that provision not to pay them.

Mr. BLACK. Is it also true that the provision applies to cases of insurance where the soldier paid for his insurance?

Mr. HARRISON. These were the war-risk insurance cases, and, of course, the premiums were taken from the soldiers' pay.

Mr. BLACK. They were, and the soldiers paid them.

Mr. WALSH. Convertible insurance is not affected by this bill.

Mr. HARRISON. As I stated, the insurance premium was so small in those cases, and the law carried with it the notice that the policies would be converted into other insurance policies, that the cost to the Government was \$1,700,000,000 more than the premiums that were collected on the insurance policies; and I may say to the Senator that the Supreme Court has held that the contract was an unfair one.

Mr. CLARK. Mr. President—

The PRESIDING OFFICER. Does the Senator from Mississippi yield to the Senator from Missouri?

Mr. HARRISON. I do.

Mr. CLARK. It is a fact, is it not, that these suits have been brought in the Federal courts, judgment has been had, and all the proceedings have been taken by virtue of authority of law; that there are now pending suits that have been filed by authority of law, and this provision would simply give authority to take away rights already vested in the courts?

Mr. HARRISON. I have stated that some 20,000 of these cases are pending, that it may be that a few have gone to judgment, and that those cases would fall within the power of the President not to pay.

Mr. BLACK. Mr. President, may I ask the Senator one other question?

Mr. HARRISON. I yield.

Mr. BLACK. A great many of these policies are outstanding now, and a great many people are interested in the policies.

Mr. HARRISON. Of course, the Senator appreciates that those who took out convertible insurance under the other insurance plan would not be at all affected.

Mr. BLACK. But it would apply to one who paid for his insurance and suffered injuries coming under the terms of the policy, and who has sued and obtained judgment from the court on the ground that he had a contract for which he had paid, and the court rendered judgment in his favor.

Mr. HARRISON. It gives to the President the power, if he desires to eliminate such a person, just as it gives to the President the power to do these other things. But the fact that that is included must not lead to the supposition that the President is going to exercise the power. He would have the authority.

Mr. BLACK. Why put it in if it is not to be done? If the contracts are not to be repudiated, why give the power?

Mr. BARKLEY. Mr. President, will the Senator from Mississippi yield to me?

Mr. HARRISON. I yield.

Mr. BARKLEY. Is it not true that most, if not practically all, of the cases involved in this section are cases of insur-

ance policies which lapsed years ago, and as to which a subsequent adjudication or an award may be applied to the payment of premiums which they voluntarily allowed to lapse?

Mr. HARRISON. The Senator is right.

Mr. BARKLEY. And therefore they are not on the same basis with the cases of insurance policies which have been converted under the law and are now in force because of premiums which have been paid from time to time to keep them alive.

Mr. HARRISON. The Senator is correct.

Mr. BLACK. Mr. President, will the Senator yield again?

Mr. HARRISON. I yield.

Mr. BLACK. Let me call the Senator's attention to the fact that they never could have recovered judgment in court if it had not been shown that the policy had been breached before they filed the suit and before the premiums ceased to be paid. Consider this case, for instance. The policy provided—and it does provide yet—that in case of a permanent disability on account of tuberculosis, under the terms of the policy, the Government would pay to the beneficiary for a certain period of years. One could not recover on such a policy unless he showed that tuberculosis had been contracted at the time when the policy was in force and effect, and of course the mere fact that he delayed filing suit would not affect his contractual obligations insofar as the policy was concerned. If an effort should be made to pass such a measure with reference to a private insurance company, it would undoubtedly be held unconstitutional, and it would only be because the Government has the right to repeal a law that it could fly in the face of the Constitution and give any such power.

Mr. GEORGE. Mr. President, will the Senator yield?

Mr. HARRISON. I yield.

Mr. GEORGE. On this point, let me say that if this section is enacted, we will wipe out, of course, all the law applicable to the yearly renewable term insurance. The proviso is a saving clause. It reads:

Provided, That nothing contained in this section shall interfere with payments heretofore made or hereafter to be made under contracts of yearly renewable term insurance which have matured prior to the date of enactment of this act and under which payments have been commenced.

Under that saving clause, of course, nothing could be paid unless there had been a maturity of the contract prior to the date of the enactment of the act and unless payments had actually been commenced. Even in case of a judgment in the courts, which had become final, if there had been no commencement of payments that policy would go along with all the rest of them.

Mr. WALSH. Mr. President, will the Senator yield?

Mr. HARRISON. I yield.

Mr. WALSH. Am I correctly stating the proper interpretation of the section under consideration by saying that all term-insurance rights and contracts are lifted out of the reign of regulation or of change by the President, but that we now are asked to enact a law providing that all who have adjusted and settled their term-policy cases shall receive in the future, as they are now doing, whatever compensation is provided for in their settlements; and, also, that from the time of the enactment of this law all term-insurance claims will be unknown, whether the cases are pending in the courts or whether they are pending before the Veterans' Administration? Am I correct?

Mr. HARRISON. The Senator is right.

Mr. GEORGE. The Senator is correct, and may I say that there are about 11,500 of these suits actually pending in the courts, and about 20,000 claims pending in the Veterans' Administration. There is a limitation since last July on the time within which they could be filed, so that it might be said that roughly there are 11,500 suits actually pending, and some 20,000 claims pending in the Veterans' Administration on which suit might subsequently be brought.

As I interpret the section, the Senator from Massachusetts [Mr. WALSH] has properly stated the intent and effect of it.

Mr. BLACK. But he has not stated it in accordance with the statement of the Senator from Georgia a moment ago, if I correctly understood him. I understood the Senator from Georgia to say that if a judgment has already been obtained in court on a policy which a man paid for with his own money, and it has been breached, he could not recover if the President saw fit to deprive him of that privilege.

Mr. GEORGE. Exactly; I do not think there is any question about it. If the Senator did not make that plain, I want to make it very clear.

Mr. BONE. Mr. President, will the Senator from Mississippi yield to me?

Mr. HARRISON. I yield.

Mr. BONE. I did not hear the Senator from Mississippi explain what would happen to the officers who are now receiving benefits under the so-called "Tyson Act" and I am wondering whether they would be taken care of under any section of this bill.

Mr. HARRISON. There are two changes made with reference to them. In the future it must be shown that their disabilities were service connected, or occurred while they were in line of duty, in actual service, and so on. Secondly, they would get the same reduction—15 percent—which the officers of the Regular Army and the Navy would get.

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. HARRISON. I yield.

Mr. TYDINGS. I should like to ask the Senator from Mississippi whether there is any provision in the bill withholding compensation in the event the beneficiary has sufficient income from private sources, or from work, to make his compensation from the Government not necessary to his comfortable existence.

Mr. HARRISON. The President would have the power to take care of that.

IMPEACHMENT OF HAROLD LOUDERBACK

The VICE PRESIDENT. By order of the Senate sitting as a court of impeachment, 3 o'clock is the hour designated for the court to assemble. The clerk will read the journal of the court.

The Chief Clerk proceeded to read the journal of the court.

Mr. ASHURST. Mr. President, I ask unanimous consent that the journal be considered as read and that it be approved.

The VICE PRESIDENT. Without objection, it is so ordered.

At 3 o'clock and 1 minute p. m. the managers of the impeachment on the part of the House of Representatives appeared at the bar, and their presence was announced by the Assistant Sergeant at Arms (Carl A. Loeffler).

The VICE PRESIDENT. The managers on the part of the House will be conducted to the seats provided for them within the bar of the Senate.

The managers were conducted to the seats assigned them within the space in front of the Secretary's desk.

The VICE PRESIDENT. In order that the entire Membership of the Senate, as far as possible, may be sworn as a court of impeachment, the clerk will call the names of absentees to whom the oath has not been administered.

Mr. ROBINSON of Arkansas. Mr. President, may I suggest that a number of Senators may be absent from the Chamber who would like to have this opportunity to take the oath. If there is no objection, I would ask that the order for calling the names of absentees may be vacated.

The VICE PRESIDENT. Does the Senator desire to suggest the absence of a quorum?

Mr. ROBINSON of Arkansas. Yes; I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Barkley	Bulow	Connally
Ashurst	Black	Byrd	Copeland
Austin	Bone	Byrnes	Costigan
Bachman	Bratton	Capper	Couzens
Bailey	Brown	Caraway	Dale
Barbour	Bulkley	Clark	Dickinson

Dill	Keyes
Duffy	King
Fess	La Follette
Frazier	Lewis
George	Logan
Glass	Long
Goldsborough	McAdoo
Gore	McCarran
Hale	McGill
Harrison	McKellar
Hastings	McNary
Hebert	Murphy
Kean	Neely

Nye
Patterson
Pittman
Pope
Reed
Reynolds
Robinson, Ark.
Robinson, Ind.
Russell
Sheppard
Smith
Steiwer
Stephens

Thomas, Okla.
Thomas, Utah
Townsend
Trammell
Tydings
Vandenberg
Van Nuys
Wagner
Walcott
Walsh
White

Mr. WALSH. I wish to announce that my colleague [Mr. COOLIDGE] is necessarily absent, owing to a death in his family.

The VICE PRESIDENT. Seventy-four Senators having answered to their names, a quorum is present. The Chair will suggest that Senators who have not taken the oath as members of the court now rise in their places and take the oath.

Thereupon, Mr. ADAMS, Mr. AUSTIN, Mr. BULKLEY, Mr. BYRNES, Mr. COSTIGAN, Mr. FRAZIER, Mr. GLASS, Mr. GORE, Mr. HASTINGS, Mr. KEAN, Mr. MCADOO, and Mr. WAGNER rose, and the oath was administered to them.

The VICE PRESIDENT. The Senate is sitting as a court of impeachment. The proclamation will be made by the Sergeant at Arms.

The SERGEANT AT ARMS (Chesley W. Jurney). Hear ye! Hear ye! Hear ye! All persons are commanded to keep silence on pain of imprisonment while the Senate of the United States is sitting for the trial of the articles of impeachment exhibited by the House of Representatives against Harold Louderback, United States district judge for the northern district of California.

Mr. ASHURST. Mr. President, I send to the desk a copy of an order and ask the clerk to read the same. I ask that the honorable managers on the part of the House consider the order as to its form and as to its date, and if the same be approved by the honorable managers I expect to ask the Senate to consider the same.

The VICE PRESIDENT. The clerk will read the proposed order.

The Chief Clerk read as follows:

Ordered, That a summons be issued as required by the rules of procedure and practice in the Senate, when sitting for the trial of the impeachment against Harold Louderback, United States district judge of the northern district of California, returnable on Tuesday, the 11th day of April 1933, at 12:30 o'clock in the afternoon.

The VICE PRESIDENT. Is there any objection or suggestion to be made on the part of the managers of the House?

Mr. Manager SUMNERS. Mr. President, I am directed by the managers on the part of the House to state that the order proposed by the Senator from Arizona is satisfactory to the managers on the part of the House.

Mr. REED. Mr. President, before the order is agreed to I would suggest that it should state to whom the summons is to be directed. I suggest that after the word "summons" in the first line there be inserted the words "to the accused," so as to read:

Ordered, That a summons to the accused be issued—

And so forth.

Mr. ASHURST. I have no objection.

The VICE PRESIDENT. Without objection, the order will be modified as suggested by the Senator from Pennsylvania; and without objection, the order as modified will be entered. The Senator from Arizona is recognized.

Mr. ASHURST. Mr. President, I have nothing further to ask of the court at this time more than to request that if the honorable managers on the part of the House have any communication respecting the managers or their personnel or the selection or appointment, the court should hear them now.

The VICE PRESIDENT. Have the managers on the part of the House any suggestion to make to the court?

Mr. Manager SUMNERS. Mr. President, not at the moment do the managers on the part of the House desire

to make any announcement. We do expect at a later time to have an announcement to make to the court.

The VICE PRESIDENT. The Chair awaits the pleasure of the court.

Mr. ASHURST. Mr. President, I move that the Senate, sitting as a court of impeachment on the trial of Harold Louderback, do now take a recess until the 11th day of April 1933, at 12:30 o'clock in the afternoon.

The motion was agreed to; and the Senate, sitting as a court of impeachment (at 3 o'clock and 13 minutes p.m.), took a recess until Tuesday, the 11th day of April 1933, at 12:30 p.m.

The VICE PRESIDENT. The Senate will resume its legislative session.

REDUCTION OF EXPENDITURES

The Senate resumed the consideration of the bill (S. 233) to maintain the credit of the United States Government.

Mr. ROBINSON of Indiana. Mr. President, I desire to record my opposition to the measure now pending before the Senate in the most emphatic terms of which I am capable. I also desire to protest against any such policy as is suggested by legislation of this kind.

The Constitution of the United States is broad enough for the government of the American people. There is no occasion, and there is no emergency at this time suggesting an occasion, for departing from the Constitution to the extent of making any man, regardless of his official station, a dictator over the American people.

I invite the attention of the Senate to this further fact, too: That Congress may declare the President of the United States a dictator within the Constitution, along certain lines, by a majority vote; but after the Congress has surrendered its powers, and those powers properly lodged in the Congress are delegated to the Chief Executive, from that time forward it would require a two-thirds vote of both Houses to reclaim the powers given the Congress under the Constitution. That is a departure from principle and policy which, it seems to me, should never be countenanced at this time or in this hour by the Senate of the United States.

Mr. President, that would mean, reduced to its lowest terms, that if any Chief Executive wielding these enormous dictatorial powers could manage to hold the loyalty of a small minority in both Houses, namely, one third, he could continue to dictate, and the Congress would be impotent to prevent it. Powers can be delegated by a majority vote, I point out; they can be reclaimed only by a two-thirds vote, because the President of the United States could veto any measure seeking to restore the powers to the Congress, and it would require a two-thirds vote of both Houses to override his veto.

Consequently we are in these latter days asked to depart very widely from established policy in the United States. We are rapidly making the Congress of the United States a rubber stamp so far as the Constitution, or its powers and duties thereunder, are concerned. If that be true, and if that be the desideratum of the Congress, then why not adjourn and go home, establish the dictator, and let him run the United States in any fashion he may see fit to improvise.

Mr. President, one of these days, at the rate at which we are going now, the Congress will legislate itself out of existence. It is doing that rapidly, it seems to me, and the pending measure is in line with the measure passed a day or two ago.

Of course, the Senator from Nevada [Mr. McCARRAN] is exactly right. The idea of saying that no veteran may be permitted to appeal his case when he feels it is just, that only the Veterans' Administrator may decide and issue edicts, under the President of the United States, reduces justice to a cipher. It was just suggested to me by one of my colleagues that the President is given little leeway in the measure, only from \$6 a month to \$275 a month. In other words, he could give one veteran \$275 and another \$6, or any amount in between those two sums. Or he might give them nothing. He might take away from them all of their vested rights, rights which have been vested by the Congress.

Mr. President, I recognize thoroughly that all I say here will probably change no votes. Yet, I think it is absolutely essential for the Record that the story should be told; that the American people should know what is going on at this moment in connection with certain interests in this country which remain active, powerful interests which never sleep.

On last Thursday, President Roosevelt asked the Congress for far-reaching authority in connection with the emergency brought about through the suspension of activity by all the banks of the United States.

The measure submitted to the Congress was believed by many of us to be entirely inadequate to meet the situation, but it was felt that something should be done, and done promptly, and, though the interests of State banks and smaller financial institutions throughout the land, as well as their many depositors, were not properly safeguarded, the bill was promptly passed with the hope that some good might be accomplished. I, along with many others of this body, voted for it with great reluctance.

As a result of congressional action in this matter, the President of the United States became a virtual dictator, with power of life and death over all the financial institutions of the country.

I do not know how other Members of the Senate felt about it, but I certainly did not expect the President to ask Congress to further abdicate its powers and responsibilities, and consequently his message of last Friday requesting House and Senate to delegate to him all of their responsibilities to the veterans of all our wars and their dependents came as a distinct shock.

The Chief Executive does not seek to conceal his motive in the matter. He proposes, if given the power to do so, by a stroke of the pen to cancel vested rights which have been accorded the disabled veterans and their dependents by the Congress of the United States. Nor is it concealed that by this action he would divest them of benefits aggregating hundreds of millions of dollars.

Mr. LONG. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. SHEPPARD in the chair). Does the Senator from Indiana yield to the Senator from Louisiana?

Mr. ROBINSON of Indiana. I yield.

Mr. LONG. What does the bill do with the case of a man who contracted tuberculosis in the service and who is receiving compensation?

Mr. ROBINSON of Indiana. Mr. President, I think in all such cases, certainly all presumptive cases, it is left to the judgment and discretion of the President of the United States and those under him whether such cases shall receive compensation or not.

Mr. President, I would rather not be diverted from the statement I am making at this time, but I shall be glad to answer any questions of the Senator after I shall have concluded.

Mr. LONG. Very well.

Mr. ROBINSON of Indiana. Referring again to the vested rights of veterans which the Congress and the Senate in this hour are asked to cancel, I suggest that any such action would, of course, immediately destroy their purchasing power and consequently prolong the depression and not alleviate it in the slightest degree.

The plan advocated by the President is precisely the plan of the National Economy League, which comprises largely the organized wealth and greed of the United States.

The spokesman of this organization did his best to browbeat both Houses of Congress into doing injustice to the disabled veterans when the independent offices appropriation bill was pending here during the last session. And, after both Houses had passed the bill, refusing to be intimidated by the threats of that organization, he insolently wired the then President of the United States demanding that the bill be vetoed.

I do not know what, if any, influence that message had with the then President, but in any event he refused to sign the bill, and it will necessarily come back to Congress for reenactment.

Nor do I charge that to the National Economy League or to the United States Chamber of Commerce, who work right together, as witness the powerful combination on the air last night. They were working together last night. They have the air at any time. If veterans desire the air, they must go on at midnight or not get it at all.

Nor do I charge that the National Economy League, the United States Chamber of Commerce, and other organizations representing big business and organized wealth have unduly influenced President Roosevelt. I simply advert to the fact that their plan with regard to disabled veterans and the plan suggested by the President of the United States are identical.

That the people of America are disgusted with the activities of Wall Street and organized wealth is a fact too patent to be dwelt upon. The people believe, and with great good reason, that these are the very interests which brought on the calamity, nation-wide, which has befallen us. And, when testimony such as that given by Charles Mitchell, of the National City Bank, of New York, is published, it only deepens the conviction on the part of the American people that big business and organized wealth in this country are rotten to the core.

Because of that fact, I am sorry to see the new President, to whom the people look forward with hope and trust, fall in line with the designs of those who have wrecked the country.

No unjust laws are on the statute books with reference to disabled veterans. Throughout our history we have always considered war a national responsibility, and the material costs of war always have been paid by the Federal Government.

Much of our national income is paid into the Treasury by wealthy citizens in the form of income taxes. This is, of course, as it should be, for they receive far larger protection and benefit from a government which enforces law and order than any other group of our people. These interests are naturally selfish, however; and if they could shift the burden of taxation to the shoulders of others, would be glad to do so.

As long as disabled-veterans' benefits come from the Federal Treasury, organized wealth and big business will be forced to pay at least some part of the cost of war.

However, if that cost could be diverted to the shoulders of local taxing units, then big business would be relieved and the responsibility shifted to the backs of farmers and small propertyowners throughout the land. This, of course, accounts for the activity of these wealthy organized groups, who, I fear, Mr. President, are becoming actively lodged in the White House.

Let it be understood that benefits now are paid only to the disabled veterans.

So far as the World War is concerned, these consist of two classes: those with service-connected disabilities, in which case they must prove to be 10 percent disabled; and those with nonservice-connected disabilities which require proof of 25 percent. It should be borne in mind also that the burden of proof is on the veteran himself. This places him at a terrific disadvantage at the outset.

I think these facts were generally understood in the last campaign. I would not charge any colleague of mine in this body or anyone at the other end of the Capitol with bad faith, but I know candidates who went before the people in the last campaign promising the veterans that not one of them should be touched by any hand attempting to do them an injustice. I have learned in the last 24 hours that some of those very men now are proposing to desert the veterans, desert their campaign pledges, and vote just the opposite from the manner in which they promised those very constituents of theirs they would vote if given the opportunity.

As I said, it places the veteran at a terrific disadvantage to be forced to carry the burden of proof. Of course it does. Anyone who has any knowledge of law understands that perfectly well. The burden of proof is on the veteran himself.

In untold thousands of cases no records were kept. In many others, hospitalization records were lost, and wherever still in existence, they are in possession of the Government and, hence, not available to the veteran.

Because of these difficulties besetting his path, in thousands of cases veterans unquestionably rate service connection but cannot prove it. Consequently, the Congress finally enacted legislation providing for all disabled veterans, regardless of the cause of disability, provided only it amounted to 25 percent. Let me suggest to the Senate that that 25 percent must be permanent and incurable disability, not a temporary affliction of any kind; it must total permanent 25 percent before the veteran with non-service-connected disability can receive benefit. Then they get the small sum of \$12 a month, and that keeps families together and holds little homes together. Thousands and untold thousands of these veterans are existing today on the \$12 a month with no other income of any kind. Many of them have service-connected disabilities; and if the records should be produced, they could easily prove it.

In a vast majority of these cases the veterans are married and have families dependent upon them for support. Many of them are out of work and even if able to accept employment, could not find it.

With more than 12,000,000 unemployed, walking the streets seeking gainful means of earning a livelihood, the competition for jobs is so pressing that even able-bodied men cannot get work, to say nothing of the veterans who are at least 25 percent disabled.

What happens now if the National Economy League and other groups hostile to the disabled veterans should have their way? These men and their families must be cared for, if not by the Federal Government then by local taxing units and local charities, and that could mean only one thing: that the burden would be shifted from the wealthy who are able to pay but because of selfishness do not wish to pay, to the smaller-tax-payers whose backs are now almost broken with ever-increasing taxes.

I submit there is no emergency for any such policy on the part of the Federal Government.

To increase purchasing power is the crying need of the hour—not to destroy it.

Roger W. Babson, a recognized authority on financial subjects and economic matters, in a statement released January 6 of this year, in an analysis of Government costs, after speaking of the interest and sinking fund on the debt, used this language:

Second. Cost of veterans' aid—\$928,000,000. Of course, there may be inequalities and abuses in this matter. If so, they should be corrected. Yet how can cutting the veterans improve business? In most cases reducing Federal aid to veterans would result in increasing local aid to their families.

There, again, the taxes go back to the shoulders of the farmers and the small-property owners throughout the land.

But the power of money and of Wall Street oppose payments to the veterans. Who else opposes them? What other groups in the land oppose those payments except the organized groups of wealth, big business, the United States Chamber of Commerce, and the so-called "National Economy League"? Who else? Nobody, save only these powerful wealthy groups that can afford to monopolize the air at the best hours available for its use every night in a campaign of vilification against the disabled veterans of the United States and their dependents. They say the Budget must be balanced. "Balance the Budget"—how often we have heard those words used to excuse the ingratitude of the Congress. Balance the Budget at the cost of the Nation's veterans. Balance, true—by perpetrating gross injustices on them and by the same inexcusable action—one balance unbalances the pitifully inadequate living budgets of additional hundreds of thousands of Americans.

And, to accomplish this, the President of the United States asks for dictatorial powers, demanding that the Congress abdicate its functions.

God save the mark, Mr. President. Have we come to the point that the President of the United States, with all his

power and the dignity that goes with his office, should ask the Congress to abdicate its functions? For what reason? In order to make him a dictator. A dictator over what? Over the destinies of the disabled veterans of the United States, without whose sacrifices there would today be no President, no White House, no Capitol, no Congress.

A grateful Government should steadfastly refuse to be a party to any scheme to victimize those who have worn the uniform in its defense. Such a policy would be not only unwise but positively unjust, brutal, and cruel.

It has been the custom of this country to be just to the veterans of all our wars and to their dependents. This policy must be continued. This Republic must show itself mindful of the sacrifices of the soldier, grateful to those who helped preserve the Nation—the veteran must not be relegated to the ranks of the "forgotten man", concerning whom we heard much during the recent campaign; but nobody dreamed that phrase was meant only for the disabled veterans of the United States; and even if they were forgotten, most of us believed the "new deal" would have in it something of charity, something of mercy, something of compassion, something of generosity, something of decency, something of recognition for service rendered to this country by those who offered their lives for its preservation. I go further: a nation which does not deal generously and considerately with those who have worn the uniform in times of peril does not deserve to be defended if war comes.

But some people say veterans with disabilities not directly connected with war service deserve no consideration. Why not? They have a right to live, and it has always been the policy of this Government to deal generously and considerately with all its defenders.

The question was answered thoroughly and conclusively in an editorial published in the *Cherokee Scout*, of Murphy, N.C., January 13, 1933. It referred to a statement issued by Admiral Byrd, who, according to the testimony of Henry H. Curran, is the titular head of the National Economy League.

I quote the following excerpt from the editorial:

In reply, through a statement issued to the press, Admiral Byrd offered to give up his status in the Navy, "and all that goes with it," if the American Legion "will favor before Congress the repeal of that dangerous, costly law"—

This is Admiral Byrd's language—

"which grants pensions to veterans of all our wars who received no injury or disability from service." Admiral Byrd said further: "I am not opposed to the veterans. I am opposed to this un-American principle."

This un-American principle! What un-American principle is he talking about? This statement is fraught with much argument and great consequences. Much could be said pro and con, but let's look at an illustration of this un-American principle right here in Cherokee County, N.C., United States of America:

We have one boy living within the confines of this county who was not injured or disabled by his World War service. He did not serve any great length of time in the service, nor did he go overseas. He was discharged honorably, and went back to civil life and his occupation with no impairment to his health and physical well-being.

Later, through a great misfortune, he lost both hands and both feet. It doesn't matter how he lost them or under what circumstances it occurred. Both hands and both feet are gone. He has a wife and some children. Because of this disability—and who is there to dispute that he is disabled?—he made application for a pension under the very law which Admiral Byrd says is un-American in principle. He is now drawing \$40 a month for this disability, and it helps him to keep his little family together, to provide something to eat and something to wear for those children and that wife. If it wasn't for this meager pension from the Government, God knows what would be the plight of this family!

When his country was in need, it called him. When the enemy was threatening to wreck the very existence of American principles and American institutions, he heard that call and answered. He laid his body, his strength, his life, his all, upon the altar of war—for sacrifice if necessary—for the protection of those American principles and those American institutions.

And now, when misfortune swept away his usefulness, took his hands and his feet, it left him in need, in dire distress, helpless. Is it un-American that he answered the call of his country in time of need? Is it un-American that his country answered pitifully his call in time of need? Is there anywhere in American institutions any text or creed which teaches that this is an un-American principle? If there is, God help America!

But the National Economy League seems to be horrified that the American Republic is dealing considerately with its veterans. I wonder if that organization is familiar with what other countries are doing along this same line. I quote the following from the January number of a publication known as the *Lafayette*, which came to my hands a few days ago:

WHAT OTHER NATIONS ARE DOING FOR VETERANS AS COMPARED TO UNITED STATES

As to the justice of the immediate payment, we have to point only to what other and poorer nations have done for their veterans. The United States pays less for its veterans than any other nation in comparison to the wealth and national income. The United States owes only 4 percent of her national wealth and France owes 20 per cent; England, 40 per cent. The United States spends \$1 for every \$800 of national wealth annually on veterans. France spends \$1 for every \$170 of national wealth. England spends \$1 for every \$700 of national wealth, and Germany \$1 for every \$130 of national wealth.

Mr. TYDINGS. Mr. President—

The PRESIDING OFFICER. Does the Senator from Indiana yield to the Senator from Maryland?

Mr. ROBINSON of Indiana. I will not yield right now. I do not want the continuity or sequence of this statement to be disturbed. Later I will answer any questions the Senator may wish to ask.

The PRESIDING OFFICER. The Senator from Indiana declines to yield.

Mr. ROBINSON of Indiana. I continue the quotation:

The United States spends annually for veterans \$1 for every \$125 of national income; France, \$1 for every \$26 of national income; England, \$1 for every \$110 of national income; Germany, \$1 for every \$40 of national income.

BORROWED FROM UNITED STATES

Bear in mind these countries have borrowed billions of dollars from the United States Government and from international bankers in the United States. England provides poor-relief, doles, old-age pensions, free medical relief, and other benefits that cost nearly a billion dollars last year. Citizens, including veterans of Great Britain residing in the United States, and unemployed, receive \$7 to \$8 a week as unemployed-relief, according to a statement in the *CONGRESSIONAL RECORD*. Conquered Germany pays \$500,000,000 annually to 4,000,000 citizens, many of them veterans, borrowing money from the United States. Germany provides doles and unemployment-insurance, spending several times as much for her veterans as the United States. England and other countries never permit any person, veteran or nonveteran, to go hungry or without sufficient clothing.

What is the truth, Mr. President, about the amount spent for veterans? Allow me to quote on this very subject from the December number of the magazine *Plain Talk*, published in this city:

Plain Talk believes in economy in Government as well as in personal affairs.

But we do not believe it is economy in any sense of the word to lop off \$450,000,000 from compensation for veterans of the World War, who are actually only getting \$204,443,000, and then give \$2,000,000,000 doles at one time to the international bankers, try to cancel \$11,641,508,460 in foreign debts, send \$17,000,000,000 out of the country in the foreign-bond racket, or make upwards of \$4,000,000,000 in "tax refunds" to corporations owned by our two principal public enemies.

Yet these are the things that Archie Roosevelt and the United States Chamber of Commerce have seen done before their very eyes and have yet to raise the faintest whisper of protest. Whaddayuh mean—economy?

Now let me remind the Senate that Archie Roosevelt and his brother, Kermit, who recently enjoyed an interesting yachting cruise in the Gulf of Mexico, have been receiving subsidies of hundreds of thousands of dollars from the United States Government. They are among the leaders of the National Economy League. It is all right for them to receive subsidies aggregating nearly a million dollars in their Morgan assisted and partly owned shipping firm; that amounts to little; but they would take \$12 a month away from a disabled veteran because its payment would not permit "balancing the Budget." "Consistency thou art a jewel."

Both the United States Chamber and its little speckled colt, the Economy League, spill their own beans in asking that the misinformation they are spreading be given by readers to their Congressmen, to the end that all economies will be made at the expense of the veteran.

Not only the veteran but, mark you, Mr. President, the disabled veteran. It is the disabled veteran whom they propose to victimize in this matter. I am surprised that the President of the United States should ever have countenanced such a program, much less asked the Congress to make him a dictator, which in this instance would not be very greatly different from making him a tyrant, if he is to tyrannize over the disabled veterans of the United States.

One gathers from this plan that the sponsors want no real economies in the operation of the Government—elimination of waste, graft, and extravagance—made by the present Congress.

When "information" of this sort is put out by a responsible body, with the specific insistence that the readers "press for definite action in the coming session of Congress," it takes on the aspect of nothing so much as selfish propaganda. During the war an expression for this sort of guff was coined. It was called "nonessential."

In the alleged \$927,848,000 which Roosevelt and the National Chamber claim the war veterans are getting, we find that they have included items which by no stretching of the imagination, even of an Archie Roosevelt, can be charged to World War veterans' compensation.

Mr. LONG. Mr. President, I do not want to interrupt the Senator—

Mr. ROBINSON of Indiana. I ask the Senator's kind indulgence.

Mr. LONG. But is not the name wrong? Is not that Kermit Roosevelt, the subsidy man?

Mr. ROBINSON of Indiana. I think they are both connected with the same National Economy League.

Mr. LONG. Two of them? [Laughter.]

Mr. ROBINSON of Indiana. But I will say to the Senator from Louisiana that it looks now, in the light of the message we have received and the bill before this body, as if they are all together on the question. [Laughter.] The family has been reunited on the question of victimizing the disabled veterans of the United States.

I am quoting from Plain Talk, a magazine published in this city:

Administration costs, clerk hire, and expenses, veterans of all wars.....	\$115,000,000
Printing and binding.....	150,000
Compensation for disability incurred in World War.....	204,443,000
Disability allowance, non-service-connected disabilities.....	104,277,000
Disabled emergency officers' retirement.....	11,046,000
Death benefit payments (premiums paid for by soldiers themselves).....	36,284,000

I assume, of course, the administration does not propose to take away insurance from these veterans who have paid the premiums themselves, out of their own pockets.

Army and Navy pensions, Civil War, Spanish War, and Regular Army.....	\$225,850,000
Military and naval insurance (paid by premiums by soldiers themselves).....	117,000,000
Soldiers' homes and hospitals, all wars.....	12,877,000
Federal aid to States, soldiers' homes.....	722,000
Adjusted-service certificate fund.....	100,000,000

Total..... 927,849,000

One of the most frequently quoted figures relating to expenditures for World War veterans is General Hines' statement that up to December 31, 1931, the sum of \$14,950,000,000 had been disbursed on account of veterans. Enemies of the veterans try to make it appear that this represents the sum spent on World War veterans.

The facts are that this sum includes the amount spent as an aftermath of all wars from 1790 to 1932, dating away back to the War of the Revolution, and also includes pensions for the Regular Army and Navy Establishment. It also includes the trick figures of \$947,003,581, the falsity of which has just been exposed, put in to swell the total.

When pinned right down to it, General Hines has admitted that the total sum paid to World War veterans and their dependents, on account of disability and death, to December 31, 1931, is only \$2,048,733,392. So it looks as though the United States Chamber and their poll-parrots are multiplying actual figures by seven in giving out statements to the public.

I may say, Mr. President, that, as the distinguished Senator from Massachusetts [Mr. WALSH] well knows, in the Joint Congressional Committee Investigating Veterans' Affairs the Administrator of Veterans' Affairs, General Hines, made one guess of approximately \$3,000,000,000, as I remember now, as to the cost to the Government for veterans' relief by 1946; and, as the Senator so well knows—because he had

more to do with bringing out the real facts than anybody else—it developed a little later that the general was a billion dollars wrong in his guess of three billion, and it amounted to only about \$2,000,000,000. So one guess is as good as another on questions of that kind, of what the future holds for any of us.

Mr. WALSH. Mr. President—

The PRESIDING OFFICER. Does the Senator from Indiana yield to the Senator from Massachusetts?

Mr. ROBINSON of Indiana. I do not like to yield, but for just a second I shall gladly yield.

Mr. WALSH. Not for a question, but for a correction.

General Hines, after being examined about the earlier predictions as to the extent to which the Public Treasury would be taxed for veterans' benefits in the future, stated that the maximum payments of benefits under existing law would be reached in 1956, and that the amount would be approximately \$1,080,000,000. His first, earlier, figures were one or two billions in excess of that. I ought to say that he stated that it was due to the fact that in reading before the committee he read the wrong figures.

Mr. ROBINSON of Indiana. Yes; I remember that. I thank the Senator very much for the interruption.

Mr. President, who is there among us so lost to decency as to begrudge any of the benefits which have been accorded to the gallant veterans of the Civil War? Who is there who dares rise in his place and condemn any of the allowances which have been made to the veterans of the Spanish-American War, who, through their sacrifices, gave us an empire? And who would dare do an injustice to a single man who served his country in the great World War?

The roll of drums and the steady beat of marching feet marked the departure 16 years ago of more than 4,000,000 lads who were called to the colors. These lads were the flower of the youth of the land. They had nothing to do with the causes that brought on the conflict. "Theirs not to reason why"—theirs only to make the sacrifices, the supreme sacrifice in some cases, that the land of their fathers might not be destroyed by the enemy without.

With high purpose and light hearts these young men entered the conflict. In this time of peril their duty was to save the Nation—their future or the ultimate cost of the war was not even considered by them. They marched away with the cheers and plaudits of their compatriots ringing in their ears and plunged themselves into the vortex of danger and catastrophe.

A grateful citizenry in 1917 assured these boys that their jobs would be safe and waiting for them on their return—they were assured that a grateful Republic would "take care of them." Irony in these days, when the veterans—those who wore the uniform in defense of their country—are being libeled, slandered, calumniated from one end of the country to the other by interests more vicious than any that ever before attempted to drag legislation out of Congress!

While these lads were at the front or in the States in training camps waiting the call to go "over there", organized wealth and big business were having a golden picnic at home. While the youth of the land sacrificed, Wall Street was having a glorious time of it—4,000 miles behind the fighting front. Organized wealth kept the home fires burning—for itself.

Profiteers rolled in wealth, as millionaires were made literally overnight. Munition manufacturers, Hog Island, and cantonnement contractors made war pay and pay with a bang.

Why, the total profits paid the Lincoln Motor Co. alone aggregated \$13,987,441.31. That was in profits—profiteering profits. The total cost to the Federal-tax payers of 6,500 motors which were never used was \$45,065,693.10.

I have many other similar profiteering experiences recorded here that I shall not take the time to read unless pressed for the information, in which case I shall gladly give it to the Senate. Most of the Members are familiar with it anyhow.

Some people seem to think that fulsome expressions of gratitude are sufficient; but let me remind them that gratitude alone supplies no food, provides no shelter, furnishes no clothing.

The "cannon fodder"—the real heroes of the war—received only a small fraction of the cost of the war. Of this cost, totaling some \$36,000,000,000, only \$4,500,000,000 went to the troops—these men who are now veterans of the World War. Practically all of the rest went to the great business interests who were working night and day to make war pay.

It is now nearly 16 years since the lads marched away. We seem to have forgotten in a measure the quality of their sacrifice. These lads no longer hear stirring songs and martial music to inspire them to sacrifice. What do they find? They find that big business, organized wealth, organized greed, and the Wall Street crowd—those who made war pay—are engaged now in a campaign of vilification against the men who wore the uniform, against the men whose sacrifices made swollen fortunes possible. Mr. President, we are now asked to have the Senate join in this campaign of vilification against the veterans of all our wars.

Why this campaign of defamation against the veteran? Why this hue and cry against giving the veterans their just deserts? Big business is carrying on its fight and making terrible onslaughts from coast to coast in order that they, the profiteers of big business, the leaders of organized wealth, and the Wall Street crowd generally, may be relieved of a few paltry dollars in income tax. That is the reason. Now the whole thing is out in the open.

Sportsmanship? Big business and these profiteers do not know the meaning of sportsmanship. These defamers are not only trying to escape bearing their share of the cost of the war but they are trying to get this Nation to evade its just obligation, which in effect would cause America to take pennies from the disabled, the widows, and the orphans.

Mammon and money are the gods of big business. To add to its store, big business would deliberately rob the disabled veterans and their families. Through no fault of their own, through causes wholly without their control, thousands of these veterans are unemployed and are walking the streets this afternoon looking for work, with none to be found.

In the midst of this adversity big business continues its drive against the veteran with unrelenting fury. But what does big business care for the economic adversities of the man farthest down?

Big business would relieve itself of income taxes and transfer its obligations onto the backs of the farmers and small-property owners, already taxed to death. In short, we find that organized wealth is in the saddle and riding hard.

What is the cost of glory, the price of glory to the veterans? More than 60 veterans' hospitals have made their appearance in the last 12 years. In those 60 institutions upwards of 50,000 beds, all occupied and with long waiting lists, have hospitalized more than a million cases, practically one fourth of those who answered the call to arms in 1917. This hospitalization on a large scale has been necessary because the engines of war and of mass destruction wreak human havoc with such tremendous force.

This human havoc is accentuated by the additions made yearly to the disability lists. Experts tell us that this peak will not be reached until 1945. During the next 12 years we shall see other thousands and perhaps hundreds of thousands of our men who think they are sound and healthy enter the grim portals of the hospital. That is the price we pay for war today.

Nor did all of the casualties come from the front-line trenches. Many came from those in training camps who suffered as the result of changed environment, disease epidemics, weakened lungs, different modes of life, and the strict discipline of Army regulations to which young men just out of comfortable homes were unaccustomed.

The price of glory rises as we look in retrospect at those fateful years. We left some 60,000 dead overseas, while countless other thousands have been laid to rest on this side.

With the booming voices of the "Big Berthas" stilled and the ceaseless fire of destruction in No Man's Land extinguished the war was closed. After the fanfare of homecoming and cheers of the welcoming throngs those heroes

of 1917 were demobilized into the business, commercial, professional, and industrial fields from which they came. Were their jobs awaiting them? They were not. Many of these lads were disabled and maimed. Someone must pay for this wreck and havoc. This is a national responsibility.

In this nation-wide campaign to discredit the disabled veteran, to whom I have adverted, we find the National Economy League leading the attack. This is indeed an interesting organization, as the managing director, Henry H. Curran, who receives a salary of \$15,000 a year, reveals. That is another interesting thing. This whole attack is led by an organization that pays a propagandist for leading the attack \$15,000 a year. His whole purpose, his whole duty, is to smear, smear, and vilify the disabled veterans of the United States. For that work he receives \$15,000 a year from this organization of organized greed. Begun last May, organized in July, and incorporated in November, the league has made rapid progress, and for this short period the amount of contributions totaled about \$200,000.

That is the amount of its slush fund. We call that, in ordinary times, a slush fund. This propagandist, in the most insolent manner, told the joint committee investigating veterans' matters that his organization, regardless of the fact that it undertakes to influence legislation, makes no report to the House of Representatives of its expenditures under the Corrupt Practices Act, as other organizations, including the American Legion, do. It was above the law. He made that statement plainly. Since then we have seen this organization wiring the leaders of this body and the leaders of the body at the other end of the Capitol, threatening them, trying to browbeat them into refusing to pass the independent offices appropriation bill, then finally wiring the President of the United States, Mr. Hoover, demanding that he veto the bill. I do not know how far they got. I only know he did not sign the bill. That is the same organization which undertakes now to dictate to the Senate. It is the organization which leads the attack on the disabled veterans of the United States.

The director said, in testifying before the joint congressional committee on veterans' affairs, that 17 contributors gave a total of \$35,100 toward this slush fund to discredit the disabled veterans of the country. He gave the committee their names, and if you will examine the list submitted you will find that those contributors are among the wealthiest citizens of the Republic. With its far-reaching influence, the National Economy League proposes to reduce the benefits of many thousands of disabled veterans to the extent of several hundred million dollars.

Mr. LONG. Mr. President, will not the Senator please give us the names of those gentlemen?

Mr. ROBINSON of Indiana. They are in the record. I have not them here. I will be glad to furnish the Senator with the names of these 17 individuals who contributed more than \$35,000 toward this slush fund being used to fight the veterans in the Congress at this very hour; but not to delay the Senate, and not to delay proceedings here, I will ask the Senator to wait until after I have concluded my remarks. Then, I will point out to him the names, and I think perhaps it would be well if the Senate had the names of these 17 individuals, men and women, who are so thoroughly anxious to be rid of some of their income taxes that they desire now to balance the Budget at the expense of the disabled veterans of the United States. In short, the Economy League purposes to charge as much as possible of the depression to the defenders of the Nation.

Let me suggest to those who desire to know the set-up of this organization that Admiral Richard Evelyn Byrd is the titular head of the organization, according to the testimony of Mr. Curran, and Mr. Curran is its director, practically the managing director.

Testifying before the joint committee, Mr. Curran said:

The next thing to stop is the payment of the people's money to hundreds of thousands of men who were lucky enough to have the honor of wearing the uniform in the World War but who came out of the war without a scratch and in better health than they ever were before. Our people should be and always will be generous to a fault in taking care of the veteran who was hurt

in the service or because of his service establishment. This is a special dole to special veterans who take sick and get a little old in the piping times of peace, long after the war is over.

"Piping times of peace." God save the mark! These "piping times of peace" that surround us now on all sides; "piping times of peace", with more than 12,000,000 men walking the streets looking for employment. But the manager of this organization which is trying to victimize the disabled veterans speaks in glowing terms of these "piping times of peace."

In making this statement Mr. Curran was apparently oblivious of the fact that we are in the midst of the worst depression in our history. We are assembled here in extraordinary session to attempt to alleviate some of the dire consequences of the business crisis. With millions unable to find work and many hundreds of thousands living on the meager allowances given them by the Government, we hear this phrase, "Piping times of peace." If we listen to some of the speeches and read some of the propaganda of the National Economy League, we would think that the veterans were a lot of riffraff, interested only in robbing the Treasury.

The injustice of making such a drive against the veterans of America is emphasized when we see that many of the leaders of this Economy League are themselves receiving princely gratuities from the Government and some are earning lucrative pay besides from private concerns.

War is costly, but as long as nations insist on indulging in it they must pay the price. I was much interested in an editorial written by Lynn E. Hoffman, editor of the New Alexandria Press, published in Indiana, and because it is right to the point on the subject I have been discussing, take the liberty to quote it herewith. We should waken to what is going on in the ranks of big business.

We may rest assured that the past few years have done more to do away with the horrors of war throughout the world than all years in previous history. Not the world conferences, world peace meetings, or disarmament gatherings, but by making the rich fellows, the ones who filled their pockets during 1917-18, pay the expense of the war. It was for their interests that the Army was sent to France. Had they not been shipping armaments and supplies to England and other allied countries, we would never have been in the last brutal conflict.

The men and women who were at the front or sailed the seas in 1917-18 were not at that time or never will be in favor of war. They were only doing their duty. Only those who were receiving large salaries and bonuses were wishing that it would continue. Millions and millions of dollars were squandered by our Government in overpaying the individuals and corporations for their selfish service at home during the past war. Hundreds and thousands became millionaires overnight, and they laughed at the ignorance of the men and women who were wearing the uniform, and their actions said, "Well, we have the money; you lowbrows have nothing except a few pats on the back from friends and relatives."

I pause to suggest that the veterans do not even get the pats on the back any more. Not only do they get little of material benefit, but they hear themselves abused and vilified throughout the land. I continue with the editorial:

But they overlooked one thing, a gift from Uncle Sam, and that was the service man's honorable discharge, which is more prized by veterans than profiteer's gold. The year 1933 sees these same citizens with their one-time large fortunes dwindling. They again step forward and try to organize a so-called Economy League. Many of them are blowing off their "bazoos" all over the country at this time. Some are in Washington trying to tell Congress that the veterans, the fellows who received a dollar a day back in the war days, should again be cast aside. Are these members of the Economy League sincere in their undertakings, ladies and gentlemen? Before you take either side study the fellows that head this league. Have they cut anything from their large pensions of from \$4,500 to \$21,000 a year? No doubt Government expenditures should be cut and cut quickly; but should it be taken from the \$12-a-month man or the so-called great men who receive from \$100 to \$1,500 a month? Think that over.

Right from the shoulder I say, "You selfish, absent-minded patriots who are fighting the veterans, . . . you were owners of some corporation that received your large bonus back in 1919, and at this time have it all squandered in Wall Street. Now you rise up in Washington and say the country is going bankrupt. We must cut expenses. Instead of going after the real Treasury robbers, you hit back again at the little fellows, and your object is to have enough money laid aside for investment in another war."

(At this point impeachment-court proceedings intervened, which appear under the proper heading.)

Mr. ROBINSON of Indiana. Mr. President, when interrupted by the impeachment-court proceedings I had just concluded reading an editorial from the New Alexandria Press, of Indiana.

Mr. LONG. Mr. President, I make a point of order that there is so much confusion in the Senate Chamber that it is difficult to hear the Senator who is addressing the Senate.

The VICE PRESIDENT. The Senate will be in order. Let the Chair make a suggestion, if he may be permitted to do so, to the occupants of the galleries. The Senate is delighted to have those in the galleries as its guests, but even a little conversation in the galleries creates a great deal of confusion on the floor of the Senate. If the occupants of the galleries will please refrain from audible conversation, they will accommodate the Membership of the Senate. The Senator from Indiana will proceed.

Mr. ROBINSON of Indiana. Let no man think for a minute that he can escape responsibility for a cowardly surrender of power here today or this week or at this session. The Congress will be held to strict accountability. When it abdicates its functions and in the most craven manner seeks to evade the duties assigned to it by the Constitution, it will not thereby deceive the American people. It will only deceive itself. I condemn any such proposed action with all the force at my command.

Yet, Mr. President, that is exactly what the Congress is asked to do here—to abdicate its functions, cowardly and cravenly to surrender its powers and responsibility to the Chief Executive of the United States. Afraid, fearful of going ahead and doing what should be done, the Congress is practically commanded to turn its power over to the Chief Executive, who in effect says, "I will do the job; you can hide behind me; my shoulders are broad; you are afraid to do it; you are afraid to vote out in the open; but I will do it, no matter what I promised the veterans in the last campaign, I will do it; turn it over to me; I am not afraid of it." And Members on the other side, and I fear on this side as well, will cowardly and cravenly surrender that power and abdicate those functions with which this body is charged by the Constitution of the United States and make one man a dictator.

Mr. GLASS. Mr. President—

The PRESIDING OFFICER (Mr. CLARK in the chair). Does the Senator from Indiana yield to the Senator from Virginia?

Mr. ROBINSON of Indiana. Oh, Mr. President, I am tired of yielding to the Senator from Virginia. He has misled us so many times on so many matters in connection with banking legislation that I do not care to talk any further on that subject or be diverted from this discussion in the slightest degree. There are Members on this side of the Chamber, I will say to the Senator from Virginia, numbers of them, I am sure, who would never have voted for the banking bill the other day had it not been for his assurance that the banks would be opened the next morning, and we were threatened with dire—

Mr. GLASS. I can not interrupt the Senator if he will not yield.

Mr. ROBINSON of Indiana. And we were all threatened with dire vengeance if we voted against his pet bill. It was rushed through here without any decent consideration; and we were told if we voted against it we would be responsible for keeping the banks closed. They are still closed, and I hope they will continue to be closed until all the banks of the country can have the same rights and privileges that the banks in New York and elsewhere in the country enjoy.

Mr. GLASS. Mr. President—

The PRESIDING OFFICER. Does the Senator from Indiana yield to the Senator from Virginia?

Mr. ROBINSON of Indiana. I do not care to yield any further at this time.

The PRESIDING OFFICER. The Senator from Indiana declines to yield.

Mr. GLASS. I will take my own time in responding to the Senator from Indiana. [Laughter in the galleries.]

The PRESIDING OFFICER. The Chair must request occupants of the galleries to refrain from approval or disapproval of any remarks in the Senate.

Mr. ROBINSON of Indiana. The Senator from Virginia always takes his own time, Mr. President.

Mr. GLASS. Yes; and does not waste any, either.

The PRESIDING OFFICER. The Senator from Indiana has declined to yield.

Mr. ROBINSON of Indiana. Mr. President, I should like to know what it was but a sheer waste of time all day last Thursday when the Senate sat here and was assured by the Senator from Virginia [Mr. GLASS] that if it passed his pet bill the banks would open the next morning? They are not open yet. That was a sheer waste of time.

Mr. TYDINGS. Mr. President, I rise to a point of order.

The PRESIDING OFFICER. The Senator from Maryland will state his point of order.

Mr. TYDINGS. I make the point of order that no Senator may reflect upon another Senator in his remarks.

The PRESIDING OFFICER. The point of order is well taken.

Mr. ROBINSON of Indiana. O Mr. President, I am perfectly willing to abide the ruling of the Chair; but that is a rule that is violated every day.

Mr. GLASS. I hope the Senator from Maryland will not insist upon his point of order, because I intend to reflect upon the Senator from Indiana. [Laughter.]

Mr. McCARRAN. Mr. President, I rise to a point of order.

The PRESIDING OFFICER. The Senator from Nevada will state his point of order.

Mr. McCARRAN. I should like to know under what rule the Senator from Virginia [Mr. GLASS] interrupted the Senator from Indiana without permission?

The PRESIDING OFFICER. The Chair will state that the Senator from Indiana has declined to yield, and Senators will please refrain from interrupting.

Mr. McCARRAN. Mr. President—

The PRESIDING OFFICER. For what purpose does the Senator rise?

Mr. McCARRAN. I rise now to a question of personal privilege.

The PRESIDING OFFICER. The Chair will state that the Senator cannot interrupt the Senator from Indiana and take him off the floor for the purpose of raising a question of personal privilege.

Mr. McCARRAN. I ask the Senator from Indiana to yield to me for that purpose. If he cares to do so, all right.

Mr. ROBINSON of Indiana. I want to accommodate the Senator; but, at the same time, I am anxious to conclude. However, I yield to the Senator.

The PRESIDING OFFICER. Does the Senator from Indiana yield to the Senator from Nevada?

Mr. ROBINSON of Indiana. I yield.

The PRESIDING OFFICER. The Senator from Nevada will state his question of personal privilege.

Mr. McCARRAN. I just overheard a remark made by the Senator from Virginia, and I also heard the Senator from Virginia address a remark to another Senator on this floor last Saturday. I want to put a stop to such remarks, and if they are not stopped I shall invoke the rule of the Senate.

Mr. ROBINSON of Indiana. Mr. President, while I refuse to concede the necessity to balance the Budget at the expense of the disabled veterans of America, there are methods available for accomplishing such a result that are not only fair and just but which would meet the approval of the voters and of a vast majority of the American people.

We speak of hoarding and hear of steps being taken to prosecute the hoarders of gold in safety-deposit boxes. But there is a form of hoarding, which if properly investigated for purposes of taxation would balance the Budget. I refer to the hoarding of total accumulated surpluses by corporations. Last year the estimates from the Statistics of Income from the United States Treasury showed that American corporations have a total accumulated surplus of some \$55,000,000,000. The figure of today is much larger, and this staggering total will indicate the degree to which this

large-scale hoarding is taking place. It is estimated that \$10,000,000,000 of this is invested in tax-exempt Government securities.

With much of this hoarded money tied up in banks, much of it in tax-exempt securities, this great amount of money is doing the people of the United States no good. If taxes were based on a capacity to pay, here is a source that would virtually balance the Budget if its share were rightfully paid.

I ask Senators over yonder who are responsible for legislation, the majority, if they have the courage to tackle this source of revenue, namely, the \$60,000,000,000 of hoarded reserves? A 4-percent tax or a 3-percent tax on this hoarded reserve, this hoarded surplus, much of it in tax-exempt securities, would much more than balance the Budget, and we would not do an injustice to the disabled veterans throughout the country; we would simply charge those with capacity to pay a small tax; we would balance the Budget, and we would do no injustice to anybody in this great country. It is estimated that with a 4-percent tax seven tenths of 1 percent of the total capitalization of these corporations would be paid in. This is not a great burden to the corporations, but would be a life-saver to the Federal Budget at this time. But no, Mr. President; nobody suggests that. The National Economy League would say, "Shush, shush; not that." No; take it from only the little fellows, those receiving \$12 a month, the disabled veterans, the little Government workers who now are not paid enough to make a decent living. Charge the depression to the veterans; charge the depression to the Government workers with their small rates of pay. That is the theory of the Economy League; and, I fear me, that is what the theory of the Senate will be when the vote on this bill shall have been taken. I warn Members of the Senate that when they cowardly abdicate their powers and their duties they will not be held guiltless by the American people. They will deceive only themselves.

In conclusion, may I say that virile national policy is at stake. In order to have defenders of the Republic in times of danger, oncoming generations must be impressed with the fact that when they are called upon to preserve the Republic they and their dependents will not be forgotten. This is a time when events cry out for justice to the disabled veterans of America—a demand for justice which will be made known far and wide to the Congress and by the people in terms that no man dare challenge.

I shall certainly oppose all efforts that may be made to grant to any man, regardless of his official station, such dictatorial powers over the destinies of the disabled veterans of America as have been requested by the President of the United States.

Mr. President, at this point, immediately following my remarks, I ask that an editorial which appeared in the National Tribune, published in this city on December 15, 1932, may be incorporated in the RECORD. It is entitled "No Mercy," and has reference to the Magazine of Wall Street, in which that publication comments on this subject. The Magazine of Wall Street uses this language:

Necessity knows no law—and no mercy.

I ask that the editorial may be printed in the RECORD in connection with my remarks.

The PRESIDING OFFICER. Without objection, the editorial indicated by the Senator from Indiana will be printed in the RECORD.

The editorial is as follows:

NO MERCY

The Magazine of Wall Street is what its name implies. It reflects the views of big business just as the National Tribune reflects the views of the harassed veterans and their dependents.

In the November 26 issue of the Magazine of Wall Street there was published an article by John D. C. Weldon on How a Billion Can Be Cut From the Budget. We quote from that article:

"Painful as it will be to cut the veterans a full 500 millions, we still have to curtail expenditures by half a billion more, if we are to avoid higher taxes and additional perilous borrowing for running expenses.

"Can it be done?

"Necessity knows no law—and no mercy."

That is the cold-blooded statement of a man who is writing for the men who control the wealth of the United States and who are fighting the veterans because they want their Federal taxes reduced.

The misery which would result from a 500 million reduction in relief for veterans and their dependents means nothing to the international bankers of our land. To them such a cut is a necessity, and "necessity knows no mercy".

They know little and care less about how other people in the United States live. They are unable to comprehend how an aged widow can eke out an existence on \$30 or \$40 a month, yet in their greediness and lust for added wealth they would take this widow's mite from her. Instead of making the few remaining years of these aged women more comfortable by adding to the pittance which they now receive, the international bankers, luxuriating in wealth, would snatch the very bread of life from them.

In order that they may pay less in income taxes this is necessary and "necessity knows no mercy."

A reduction of 500 millions in expenditures for veterans and their dependents would throw thousands and thousands of men and women upon their local communities, thereby adding to the burden of the small taxpayers.

This suits big business to a tee, for every dime added to the tax bills of the man who is struggling for his existence relieves the very wealthy just that much. They believe in making the rich richer regardless of what happens to the great mass of the American people. They want their Federal taxes reduced and they will go the limit to accomplish their end. If they can make veterans and their dependents objects of charity they will be perfectly satisfied, no matter how much suffering results for anyone but themselves.

In demanding such a drastic cut of five hundred millions for the relief of disabled ex-service men and widows, Wall Street does not consider the merits of the laws which have been enacted in past years after careful consideration. This enormous reduction is necessary for them to receive a cut in Federal taxes, and "necessity knows no mercy."

The men who control the wealth of our country are like necessity—they know no mercy.

Their hearts are hardened by greed, the prevailing sin in the world today. To promote their own interest and add to their enormous wealth they are willing to see others, no matter how worthy, endure the cruelest of hardships. They have no consideration for the unfortunate veteran who must depend upon his pension to support himself and his family; they are not interested in the sad plight of the aged widows to whom the Nation owes a debt which can never be paid. Their god is wealth, and they worship at its shrine from morn to night. One million calls for another, and on and on; big business is never satisfied.

It is sad, indeed, to contemplate the picture of the very rich on the one hand fighting tooth and toenail against the country's defenders and their dependents on the other. That is what we are faced with today.

Those with huge incomes seek to add to their unearned increments by taking from the disabled veterans and widows their means of existence. The extremely wealthy men—and women, too—want a reduction in their Federal taxes, and to accomplish such a reduction they say it is necessary to pauperize the ex-service men and their dependents.

"Necessity knows no law—and no mercy."

Mr. TYDINGS obtained the floor.

Mr. BRATTON. Mr. President, will the Senator yield, in order that I may note the absence of a quorum?

The PRESIDING OFFICER. Does the Senator from Maryland yield to the Senator from New Mexico?

Mr. TYDINGS. I yield.

Mr. BRATTON. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Copeland	Kean	Reed
Ashurst	Costigan	Keyes	Reynolds
Austin	Couzens	King	Robinson, Ark.
Bachman	Dale	La Follette	Robinson, Ind.
Bailey	Dickinson	Lewis	Russell
Bankhead	Dill	Logan	Sheppard
Barbour	Duffy	Lonergan	Smith
Barkley	Fess	Long	Stelwer
Black	Fletcher	McAdoo	Stephens
Bone	Frazier	McCarran	Thomas, Okla.
Borah	George	McGill	Thomas, Utah
Bratton	Glass	McKellar	Townsend
Brown	Goldsborough	McNary	Trammell
Bulkeley	Gore	Metcalf	Tydings
Bulow	Hale	Murphy	Vandenberg
Byrd	Harrison	Neely	Van Nuys
Byrnes	Hastings	Nye	Wagner
Capper	Hatfield	Overton	Walcott
Caraway	Hayden	Patterson	Walsh
Clark	Hebert	Pittman	White
Connally	Johnson	Pope	

Mr. WALSH. I desire to announce the absence of my colleague the junior Senator from Massachusetts [Mr. Coolidge] on account of a death in his family.

The PRESIDING OFFICER. Eighty-three Senators have answered to their names. A quorum is present. The Senator from Maryland.

Mr. McCARRAN. Mr. President, will the Senator from Maryland yield to me?

The PRESIDING OFFICER. Does the Senator from Maryland yield to the Senator from Nevada?

Mr. TYDINGS. I do.

Mr. McCARRAN. I desire at this time to offer six amendments to the pending bill, to be taken up in their order when the bill is read.

The PRESIDING OFFICER. The amendments will be printed and lie on the table.

Mr. LA FOLLETTE. Mr. President, will the Senator yield to me?

Mr. TYDINGS. I shall have to refuse to yield at this time, because several Senators have asked me to yield, and I did not know I was yielding to the Senator from Nevada for that purpose. I shall not talk long.

Mr. President, during the World War I happened to be a very humble and rather inconspicuous member of the American Expeditionary Forces and saw service in France under fire on two or three fronts. Before the war was over it was my good fortune—because it was largely due to good fortune—to have command of 3,000 men, a great many of whom came from my own State of Maryland. I have had my best friends pass on in that struggle. I have seen many of them who were wounded and maimed; and, of course, from that close association and from the circumstances I have enumerated, I have, as a matter of fact, the very warmest, the very kindest, and the most humane reactions that a man can have.

This war is just like the World War. In the World War, if the American soldier died for anything he died that his Government might go ahead and live and survive. We are the soldiers in this war, and we are in the front-line trenches; and the question is if we, like they, are willing to die politically, perhaps, that the institutions of this country may go on and survive and live.

That is one question. The other question is whether we shall continue to pay to the men in the World War their full compensation for a little while and then perhaps not pay them anything, or whether we shall pay them less now with the understanding that that payment will continue and they will not be cut off entirely through the complete breakdown of the credit of the Government of the United States.

I said that we are in a war. We are. The Central Powers passed away as our enemy with the signing of the armistice. The new enemy is the army of depression; and it is infiltrating into our ranks, bringing havoc to our citizens, and causing distress and suffering all over this land, and, in fact, in other nations.

The shells, the grenades, and the weapons with which we fought have been changed. We are now fighting for work with jobs, with money to stem the army of the depression.

The casualties are still here. We had the dead and wounded in the World War, but we have the unemployed and the hungry and the unsheltered in this war.

The first-aid stations of the World War have been transformed in this war to community chests and Government contributions for the destitute and the unfortunate.

The unbalanced Budget of the World War is here in the unbalanced Budget in this war against the depression.

The Congress then, as now, must realize that we are not in a normal time, a time of peace, but that the institutions of America are crumbling before this enemy, and battle orders cannot be written in a mass meeting. They must be written by the Commander in Chief of the Army of the United States, and by no one else will they be written.

To attempt to throw a bill of this kind open to the discussion of 531 Members of Congress is to say, in effect, that no bill will be forthcoming from that body.

May I say to the new Members of the Senate who do me the honor to listen that if they had been in attendance in the old Senate, they would have seen the utter futility of Congress' trying to economize. One man is willing to econ-

omize here, but not there. Another is willing to economize there, but not here. And by the time every man gets what he wants, the Nation has gotten nothing.

The big thing before this Nation today is to win this war. That is the objective. The army wants to fight. It wants leadership; and, thank God, it has leadership at the other end of Pennsylvania Avenue. The question is, Are we of the general staff who are helping to write the battle plans going to countermand the orders of the Commander in Chief, and lay our flanks open to attack by the enemy, the army of this depression?

Does anyone who has known me for 10 years in Congress think that I would ever willingly vote to transfer legislative power to the Executive? I may say, and I hope I am not immodest, that no man in Congress has a record of more zealously guarding the power of the States for the States, and guarding the power of the legislature for the legislature, than has the senior Senator from Maryland. There is no exception to that rule, so far as I know, up to this hour.

What is the condition which confronts the country? Why, Senators, within 2 weeks the Government had to pay 4¼ percent to borrow only \$600,000,000 for immediate expenses with which to run the Government for 90 days. If we keep on borrowing, if we make no effort to balance our Budget and to restore financial confidence in this country, all we will do will be to make it impossible for any veteran to get any compensation at all, because we will not have the money, and we will not be able to borrow the money except at usurious rates of interest.

Mr. BARKLEY. Mr. President, in that connection, if the Senator will yield—

The PRESIDING OFFICER. Does the Senator from Maryland yield to the Senator from Kentucky?

Mr. TYDINGS. I yield for a brief observation.

Mr. BARKLEY. No longer than a month ago we were borrowing money for one eighth of 1 percent.

Mr. TYDINGS. Yes; that is true. I thank the Senator for that observation. When our credit was better we were borrowing money for one half of 1 percent, and even for one eighth of 1 percent; but now, because our credit is gone, we must pay 4¼ percent to get a measly little \$600,000,000 for our Government, which we are used to talking about in terms of billions.

The casualties of this war against the depression are just like the casualties of that other war. What are they? Fourteen million people out of employment; a million farms sold under the auctioneer's hammer, under mortgage foreclosures, and for delinquent taxes; 6,000 banks closed which will not open again, which are liquidating with the in-coming administration; a bank holiday all over the land; complete loss of confidence.

Are we going to fall back on the routine, peace-time, ordinary trenches of legislative prerogative with the lines crumbling, with the enemy infiltrating, with chaos in the offing; or are we going to say, "No! We have a Commander in Chief. We will submerge every partisan and personal belief, because the first thing to do is to stop the enemy?"

Mr. FESS. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Maryland yield to the Senator from Ohio?

Mr. TYDINGS. Yes; I yield.

Mr. FESS. I join the Senator in his suggestion that we bury all partisan differences on an occasion of this kind.

Mr. TYDINGS. I am sure the Senator will.

Mr. FESS. As far as it is possible to go, I am going along in granting this power; but I hope the Senator realizes with me that it is a very serious step for us to take at a time when all the world is drifting toward dictatorship.

Mr. TYDINGS. Yes.

Mr. FESS. We ought to make it clear that this is an emergency, and that our action must not be regarded as establishing a rule of conduct.

Mr. TYDINGS. The only reason why I am taking this step, and the reason why the Senator from Ohio is taking it, is because the alternative is worse than what we are doing. That is the reason.

Mr. BORAH. Mr. President, may I ask the Senator from Ohio a question?

The PRESIDING OFFICER. Does the Senator from Maryland yield to the Senator from Idaho?

Mr. TYDINGS. I should prefer to finish my remarks, if I may. I do not want to be discourteous. Then I shall be glad to yield; but I am trying to take up some facts in order, and I am afraid I will get afield.

Mr. BORAH. Very well; I will not interrupt the Senator, but the statement of the Senator from Ohio suggested a question to me.

Mr. TYDINGS. Mr. President, I do not mean to be discourteous; I am always glad to yield to the Senator from Idaho, but I am sure he appreciates why I should like to proceed.

Now we must face the facts. I am not arguing theories. We are up against concrete, actual, existing facts, and upon those facts we should shape our course.

In October of this year the Government will have maturing \$6,800,000,000 of war obligations in the shape of Liberty bonds, which it must finance. About \$7,000,000,000 worth of obligations will be coming due in October, which the Government will have to resell, or else print money with which to pay those obligations. That will be this year.

If we go on with these unbalanced budgets, go on with the mounting deficits to October, what will happen? We cannot pay these obligations; we cannot refinance these obligations; and where will the veteran be getting his check when the Government has no money with which to pay the compensation which is allocated to him? That is a fact. If there is any man on this floor who says it is not a fact, let him stand now and tell me wherein I am in error. I will be glad to yield if there is any misstatement in what I have said. Nobody rises, and I assume that up to now we are in accord on the essential facts.

Here is another fact: We are now spending \$720,000,000 a year for interest upon the Government's debt alone. Three quarters of a billion dollars annually now goes for interest. Thirty cents out of every dollar we spend goes to pay the interest on our national debt. Mark you, thirty cents out of every dollar we are taking in in taxes now goes to pay interest on our national debt; and when a man gets so that it takes half of his income to pay the interest he owes on his obligations, the line of credit for his future activities is very, very thin, indeed.

There is, then, really this alternative—whether we want to keep on paying the veterans their full amounts now, with these actual facts in existence, and have the Government credit break down, as it is sure to do, and have the veterans getting nothing, or whether we want to cut some off their compensation, so that the Government will be in a position to borrow the money to keep the payments going. That is the alternative. We have to take one horn of the dilemma or the other.

Without wishing to reflect on the motives of anyone, may I say that in my humble judgment the men who oppose making these cuts are not the veteran's friends. They are the veteran's enemies, because if we go longer down that pathway we will go to the point where the veteran will take a hundred percent cut, because there will be no money in the Treasury with which to pay him the compensation now stated upon our law books as his due.

Where are we to get the money? We are taking in now only around \$2,000,000,000 a year in income, taxes from all sources, but we are spending nearly \$4,000,000,000 every year.

Since the depression started we have added over \$5,000,000,000 to the national debt. When the war was over we started a process of paying off the national debt, and we reduced it, I think, from \$26,000,000,000, in round numbers, down to \$15,000,000,000 by 1929. Where is it now? It has gone up from \$15,000,000,000 to over \$20,000,000,000, as I stand on this floor, and every man here knows that, as things are now going in this Government, the debt is still mounting higher and higher, and the end of our credit is getting closer and closer. Men talk about State banks not having equality with national banks, talk about the dark Friday of a bank

holiday. Let them wait until governmental credit is gone, and they will see a black Friday that will make midnight look like the glorious morning sunrise. That is where this country is leading to.

It is not popular, I know, to rise and advocate cutting expenditures to veterans, particularly when one himself has served with those men and knows the injustices that are often done to them; for instance, called on to serve in the front-line trenches for \$30 a month, while those who worked behind in the ammunition plants got 10 and 12 and 14 dollars a day.

I am not defending that situation. I say that it was an outrage to take men who had families, in some cases, and send them over the top, quite often to their death, and give them a mere \$30 a month, and a little extra if they had families, and then allow those back home to make high wages. Nor am I defending the war profiteers who seized the moment of the Nation's distress to wring high-priced contracts from the Government, and turn the few millionaires there were in the country into thousands of millionaires. But that water has gone over the dam. We are here on March 13, 1933. We are here when the Government's credit is nearly gone, when the great United States, which has borrowed \$30,000,000,000 on occasions, in borrowing a mere \$600,000,000 has to pay $4\frac{1}{4}$ percent to get the money, and then the loan is just barely subscribed. Suppose that loan had not been subscribed; suppose investors had not bought that small offering. Where would the Government credit be today?

Talk about guaranteeing bank deposits. Senators are going to offer bills here shortly to guarantee bank deposits in whole or in part. Where are we to get the money to make good these guaranties? From a Government whose credit is gone?

If we want our Government's guaranty to be worth the paper it is written on, then we will have to have the governmental credit with which to make good, because the Government has not the money now. We are living on borrowed money. We have borrowed \$2,000,000,000 this year to run the Government. We had only \$2,000,000,000 coming in, and we borrowed another \$2,000,000,000, and I want to say, with all the seriousness of my nature, that in my judgment, until we put our house in order, our borrowing days are going to be very few indeed, and I am not going to have it upon my head to take the responsibility for the chaos and the revolution and the injustices and the shambles which will result from having had an opportunity to stabilize that credit, and having voted against stabilizing it, or leaving it open and unsteady and uncertain and unreliable.

Mr. WALCOTT. Mr. President, will the Senator yield?

Mr. TYDINGS. I yield for a short observation.

Mr. WALCOTT. I wish to correct a statement the Senator made a few moments ago with reference to the Liberty bonds due this year. If I recall correctly, the Senator said that there would be \$8,000,000,000 due.

Mr. TYDINGS. No; I said \$6,800,000,000.

Mr. WALCOTT. I thought that was in error, and I just called the Treasury Department. Those bonds are callable, commencing October 15.

Mr. TYDINGS. I am coming to that. The Senator anticipates me.

Mr. WALCOTT. They are not due this year. They are callable and may be called this year or at any time up to the due date, and the due date is October 15, 1938.

Mr. TYDINGS. I will take the matter up right now, because I want to say why it is important that governmental credit be stabilized before those bonds are actually called.

I stated a moment ago that we are now expending \$720,000,000 a year on interest on the national debt. We all know the program of the administration is to call in those bonds and to issue new bonds at a lower rate of interest than the old bonds bear. Those old bonds pay about $4\frac{1}{4}$ percent now, as I recall. The administration will make a desperate effort to refinance that loan at 2, $2\frac{1}{2}$, or 3 percent. If it does that, it will save in interest alone over \$100,000,000 a year. But we can only save that, may I say

to the Senator from Connecticut, if our credit is such at the time the bonds are called in that that type of financing can be made. If our credit is gone, we will have to finance those bonds at $4\frac{1}{4}$ or 5 or 6 percent.

If, on the other hand, our house has been put in order, we can call in this vast amount of governmental indebtedness—about one third of our total indebtedness—and refinance it at a lower interest rate at a saving of from \$100,000,000 to \$200,000,000 a year, depending upon the credit situation in the country at that time. That is one of the stakes we are fighting for in connection with this bill.

Now let us look about the world. There are riots in Berlin, fighting in the streets, dictatorship, an unbalanced budget, inflation; all that in Germany. I might be permitted to say that in 1924 I happened to be in Germany, at the time of the greatest inflation, when it took 65,000 marks to buy one cigarette, and if one wanted to pay his hotel bill in German money, he had to hire a truck to take the money to the hotel—if he wanted to pay in the medium of exchange at that time. Anybody who has seen inflation, uncontrolled inflation, will hesitate a long while in helping to bring about a situation where it will be necessary to go to inflation as a last resort.

There is a Labor government in England. Conservative Great Britain put a Labor government in control, and even that failed. Now they have a nationalist government made up of three parties, all patriotically supporting a national program, something unheard of. Why? Because Britain's budgets were unbalanced, which rocked the credit of that Nation, which added to unemployment, which drove trade away from their factories and their railroads and their steamships, until the day came when Britain had to walk in with a meat ax, so to speak, and hack at the thing, and finally go off the gold standard in order to live among the society of nations.

Alphonso abdicated in Spain largely because of an unbalanced budget. Stabilization of governmental revenue had gone, and after one ministry following another had held power they all were swept out and the communists took over the country in an effort to stabilize that Nation's credit.

There is a dictatorship in Austria, a dictatorship in Poland, Russia communistic, revolutions all over South America, not because of the unbalanced budgets directly but because of the consequences flowing to commerce and trade and business from unbalanced budgets and unsettled national credit. We cannot afford, Senators, to make the distress of this moment any greater than it is.

The Senator from Indiana says the President of the United States asked for dictatorial powers. Of course he did. Why? Because Congress itself refused to do its duty, to protect the integrity of the national credit. If all will tell the truth, there will not be found a man to deny that. That is the reason why the President made his request, because Congress would not do its duty, and there was no alternative to a man sworn to protect and uphold the institutions of this country, when Congress had shown that it would not do it, but to say, "Then give the power to me. I will do it."

The Senator from Indiana demands that Congress abdicate its functions. Congress abdicated its own functions by its failure to act. It never exercised its functions to keep the credit of the country on a sound and stable basis. In the last session of Congress efforts were made to economize. My colleague the Senator from New Mexico [Mr. BRATTON] offered an amendment which would have effected a 5-percent saving in each department, 5 percent only. Did it go through? Of course, it did not go through. In the last days of the session, after we had fought and wrangled over it in this body, it was stricken out, so that saving was not effected. We saved about \$125,000,000 out of \$4,000,000,000 of appropriations. The amendment of the Senator from New Mexico would have saved \$165,000,000, but when Congress was put up against the votes on the direct propositions concerned a majority could not be rallied to support the amendments which would have brought about those savings.

Mr. McKELLAR and Mr. BARKLEY addressed the Chair. The PRESIDING OFFICER. Does the Senator from Maryland yield; and if so, to whom?

Mr. TYDINGS. I will yield in just a moment.

The Senator from Tennessee [Mr. McKELLAR] offered an amendment to strike out \$800,000 in one subsidy contract. That was adopted by the Senate. Another Senator offered an amendment to wipe out the entire airplane subsidy. That amendment was adopted by the Senate. Another Senator offered an amendment to cut all appropriations 5 percent. That amendment was adopted. But how many of those provisions were in the bill when it was finally passed?

I yield now to the Senator from Tennessee.

Mr. McKELLAR. The Senator will recall that, so far as the Senate was concerned, it overwhelmingly voted for many of the reductions; but it was in conference with the House that the economies were stricken out. The splendid amendment of the Senator from New Mexico [Mr. BRATTON], which ought to have been adopted by all means and which passed by a considerable majority in this body, was stricken out in conference.

Mr. TYDINGS. That is true.

Mr. McKELLAR. In other words, while the Senate by a large majority was inclined to economy and even this year voted for about \$230,000,000 of economies under those suggested by the President of the United States in his Budget estimate, yet when the bills got to conference those economies were voted out, I am sorry to say, by the Senate conferees, who were in the majority in the conference committee.

Mr. BORAH. Mr. President—

The PRESIDING OFFICER. Does the Senator from Maryland yield to the Senator from Idaho?

Mr. TYDINGS. Certainly.

Mr. BORAH. May I ask the Senator where the pressure came from which drove those items out of the bill?

Mr. TYDINGS. The pressure came from business interests.

Mr. BORAH. Yes; and from the executive departments.

Mr. TYDINGS. That is true. In the last administration every time Congress sought to cut a single appropriation, as a general rule and insofar as I know without any exception, the Secretary of the department of the Government affected, either directly or indirectly through his friends, sought to restore all appropriations so that in effect there was very little, if any, economy at all.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. TYDINGS. I yield to the Senator from Kentucky.

Mr. BARKLEY. I desire simply to emphasize the fact that our failure to function in the last Congress in any reduction of expenditures pertained only to a very modest proposal to reduce the ordinary running expenses of the Government in the departments, and if we could not function in that respect we could not be expected to function in a larger respect.

Mr. TYDINGS. In my judgment, as I said in the last Congress on numerous occasions, the Government employees and the veterans, if they had taken a smaller cut than that which is proposed now, would have obviated or eliminated the possibility of the very legislation we are now considering. The further down the credit of the Government goes, the larger must be the cut. The sooner the cut is made, the quicker the Government's credit will respond. Five percent in the old Congress at its beginning would have been worth 10 percent now to many people who are coming to see that in some cases their own greed to keep appropriations up is going to make them take twice as much of a cut as they ordinarily would have had to take had they come forward at that time as they should have done.

The Senator from Indiana said this is the new deal. It is the new deal because we have a program instead of speeches. We have action and results instead of promises. That is the kind of a new deal the American people want. They are tired of talk and nothing to show for it after Congress adjourned in the way of putting the expenditures

of the Government on a basis approximating a balancing of the Budget.

The Senator from Indiana also said that other nations were spending more on their veterans than does the United States in proportion to their income. I certainly hope they are. They were at war 2½ years before we got into it. They were at war nearly 3 years before our soldiers joined actually in the fighting. England alone had 1,000,000 men killed on the field of battle or who died of wounds. We had about 165,000. France had a million men killed in battle and another 1,500,000 who were seriously wounded. Germany had over 1,000,000 killed in battle or who died of their wounds. I certainly hope, with the many millions more of casualties which those countries had than had we, that they are spending more out of their national wealth than we are spending for this purpose.

But what the Senator from Indiana did not say is that per man this Government has treated the veterans with more liberality than any other government on the earth at any period in the world history. There is not a man who will rise to challenge the accuracy of that statement. So these comparisons of the Senator from Indiana are misleading, because we all know that the United States Government has been the most generous toward its veterans of any government under God's sun in all the history of the universe.

The Senator from Indiana said that France and England and Germany spend more of their national income than does the United States for the veterans. That is true, but he does not say that they have millions to spend it upon as compared to the smaller number upon which our expenditures are predicated.

Then the Senator from Indiana further pictures the sorry conditions in those countries, with their doles, and so on. What made the doles? Lack of confidence in government was not the only thing, but it was one of the big keystones in the arch of national security, and it is one of the things in these distressing times right now. If we had established the integrity of our governmental finance long ago, we might not have had a universal bank holiday, and, having been stung once by the bee of an unbalanced Budget and lack of national integrity, I wonder if we are going to subject our fellow humans to another stinging by failure to take action now?

Talk about doles! The Senator from Indiana said that they not only expend money on their veterans but they even pay out doles of 6 or 7 dollars a week to Englishmen who are in the United States if they are unemployed. Does not our Government do the same thing? At least, I have been voting for a good many hundreds of millions of dollars here in the last couple of years. What do the community funds do which exist in the United States as they do not exist in foreign countries? Are they not doles? What about the municipalities like Baltimore which spends \$120,000 of the taxpayers' money on work every week for the unemployed, or nearly half a million dollars a month? When it comes to doles, what we spend in the form of doles would make Great Britain and France and Germany put together look like pikers.

The Senator from Indiana also spoke about the foreign bond market. I offered a resolution in this body in January 1929, calling attention to each of those individual loans, showing that the proceeds were not being invested in productive enterprises but were going into armaments and things that did not create wealth, and that they would never be paid back but default would come and the American people would lose, because there was no means of creating revenue to repay the loans. I even drew a comparison of loans and expenditures for war purposes for 1 year, the year 1927. In that 1 year Japan had borrowed \$300,000,000 from the people of the United States and in that same year had spent \$260,000,000 on her army and navy. In other words, we furnished her more than enough money in 1 year to pay for all the army and navy expenditures. So we have been doing over all the world.

Mr. LONG. Mr. President, will the Senator yield?

Mr. TYDINGS. Not now. I do not want to be diverted; but I will yield at the end of my remarks.

The PRESIDING OFFICER. The Senator from Maryland declines to yield at this time.

Mr. TYDINGS. Under whose auspices was this bond racket conducted? It was in connection with some of the people who now belong to the National Economy League. I admit that, but I am not going to be deterred because of that fact. I am not going to let that fact warp my best judgment upon this matter at this time. Just because the National Economy League may be supporting this program and there may be men in that organization who are hypocrites, that has nothing to do with the question here. The question is, Is it absolutely necessary that we fund our Government obligations on a sound basis or is it not necessary? If it is not necessary, I do not want to cut into these service-connected cases a penny. In my judgment, the events of the last 2 or 3 weeks show it is necessary and that the real friend of the veterans and the Federal employees is the man who votes to make these cuts now; because if they are not made, I predict that before the month goes by the condition of our Federal Treasury will be such that many Senators will regret the fact that they did not put the Government credit on a sound foundation when they had a chance through this and other measures.

I would be interested to know how the Senator from Indiana voted on a great many of these subsidies which the Roosevelts and others got. Possibly he voted against them. I know that I did, but I am just wondering whether or not the RECORD will show that when the question came to a vote he opposed them then with the vigor with which he attacks them now.

He also said the Roosevelt family was reunited to victimize the veterans. That remark is so cheap that it does not even deserve a reply, but because it may get into the papers let me say that the Roosevelt family, whatever the Senator may imply, as far as the President is concerned, has shown a humanitarianism and comprehension and desire to act such as I have not seen in national affairs since 1920. I think that the American people are with the President, because, without reflecting on any other President, they realize that he is supplanting words with action and is moving with a real definite program to defeat the army of the depression and turn our country back into happier days. I do not think that remark made by the Senator from Indiana should even appear in the RECORD, because, as he will be a candidate next year for reelection, his opponent may circularize it in his home State and he may have a mighty hard time explaining just what he meant.

Mr. President, I am going to conclude with just two or three further observations. One of them is that the future may be very dark; and, in my judgment, it will be very dark unless there shall be an end to the uncertainties surrounding Government finance and we shall cease to spend money which we have not got, borrowing it and adding it on to our indebtedness and heaping it up for future generations to pay. The experience of the last 2 weeks, when we had to pay 4½ percent to borrow—speaking from a governmental standpoint—a measly little \$600,000,000 should be a warning that the veteran who is affected by this bill and the governmental employee who is affected by this bill and the retired Army and Navy officer who is affected by this bill will in all likelihood get nothing in the immediate near future if we do not make these and other cuts at this time.

On the other hand, if we do make these cuts, if we attempt to put our house in order and achieve a mild degree of success, it is my belief that we shall put an end to a great deal of the distress of these times; and it may be possible that we can be a little more lavish, particularly to the veterans suffering from service-connected disabilities as we go up the hill to brighter things than we can be at this moment. That, however, cannot happen unless we start from scratch and make up our minds to move upon the path of soundness at this time.

Mr. VANDENBERG. Mr. President—

The PRESIDING OFFICER. Does the Senator from Maryland yield to the Senator from Michigan?

Mr. TYDINGS. I yield.

Mr. VANDENBERG. I should like to submit to the Senator a question which is disturbing me. I would be perfectly willing to apply a horizontal percentage cut to veterans' allowances of any necessary proportion to cover whatever contribution ought to be made to the situation in that direction. The thing which troubles me—and I ask the Senator to discuss it—is this: Instead of pursuing that method, are we justified in literally tearing up 12 years of statutes and proceeding through that destruction to accomplish the result which ought to be accomplished perhaps in some other way? Will the Senator give me his views as to that?

Mr. TYDINGS. That is a very sensible question. I will say to the Senator from Michigan that if I had not had, as he has had, the experience of the last 2 years in this and the other body, I would be inclined to withhold the power that this bill proposes to give to the President and attempt to write some measure which we ourselves might think best; but because I fear very much that if we open this bill too widely to amendment it may result in accomplishing nothing, I am constrained, much as I dislike to do it, to give the President the authority herein proposed. I am certain there will be injustices in the operation of this bill should it become law, but I am equally confident that when those injustices shall be called to the attention of the Chief Executive, they will be corrected as speedily as it is possible to do so.

Mr. VANDENBERG. May I pursue the question just one step farther?

Mr. BARKLEY. Mr. President—

The PRESIDING OFFICER. Does the Senator from Maryland yield; and if so, to whom?

Mr. TYDINGS. I have yielded to the Senator from Michigan.

Mr. VANDENBERG. I think the Senator from Maryland is justified in his rejoinder. I call his attention to the fact that in title II we are proposing to make emergency economies without destroying the structure, and it seems to me that it would be infinitely preferable and more consistent if we should order the economies in title I without destroying the structure, and that ought to be possible.

Mr. TYDINGS. Mr. President, the Senator from Michigan and I both remember very vividly—and certainly I have good reason to, because I was the butt of a good bit of humor on this floor for about a week because of it—a resolution which I introduced in the last Congress which seemed simple and logical and I believe common sense, which was to instruct the Appropriations Committee not to report bills appropriating more money than the Government was going to take in. That looked so simple that the taxpayers of America could not understand why Congress would not immediately take such action; but we found when it was considered by the Appropriations Committee that, owing to certain statutes on the books, notwithstanding we should cut the appropriations, the persons who would be beneficiaries of the law could come in and sue the Government and obtain judgment against the Government, which would be collectible. So that we would be right back to the same point from which we started in a great many cases. That is one of the reasons why I feel we must trust this power in one man, but only during this emergency.

Mr. BARKLEY. Mr. President—

Mr. TYDINGS. I yield to the Senator from Kentucky.

Mr. BARKLEY. I merely wanted to say, in connection with the question of the Senator from Michigan [Mr. VANDENBERG] that while, on the surface, a horizontal reduction appears to be attractive and seems to be fair, yet when you begin to apply it it may not be so fair as it appears. For instance, a horizontal reduction would affect service-connected cases in the same manner in which it would affect non-service-connected cases. It would take, for instance, an ex-service man who is totally and permanently disabled and

reduce his compensation a very considerable amount, no matter what the percentage of reduction should be, while it would not, in any way, affect very materially the compensation of a non-service-connected case or even a service-connected case where the degree of disability was small. So when we begin to apply a horizontal percentage of reduction to all veterans alike, we necessarily do greater injustice to those who are more deserving because of greater disability than we do to those with less disability, either service connected or nonservice connected.

Mr. VANDENBERG. Mr. President, may I submit one further suggestion to the Senator from Maryland?

The PRESIDING OFFICER. Does the Senator from Maryland yield to the Senator from Michigan?

Mr. TYDINGS. I yield.

Mr. VANDENBERG. The Senator said he would trust this 1-man power only during the emergency?

Mr. TYDINGS. That is right.

Mr. VANDENBERG. But is it not a fact—

Mr. TYDINGS. Let me interrupt the Senator to say that I was equally willing to trust the power to one man, as I stated at the last session, to President Hoover, because it looked to me as though the Congress could not act.

Mr. VANDENBERG. Of course, I agree to that, but I am not proposing to advert to that phase of the question, because I am not talking politics this afternoon.

Mr. TYDINGS. I understand.

Mr. VANDENBERG. The Senator says that he would trust this power to one man only in the emergency; but when the emergency shall be over, I ask the Senator whether the veteran will not find that the entire structure is destroyed and he will not revert to his status as it existed prior to the emergency?

Mr. TYDINGS. I would say in that respect there is no doubt in the world that a great many abuses have arisen under present legislation, and let us hope that the veterans will not revert 100 per cent to the old law.

Mr. VANDENBERG. I agree to that.

Mr. TYDINGS. But I do say that I believe—no matter if Congress does it, if a committee does it, or if the President does it—if we make these cuts, there will be injustices; but I am equally of the opinion that the man who is going to do the cutting, namely, the President of the United States, will act wisely and justly, and the Congress may later rectify those injustices as speedily as they are called to the attention of the one or the other.

Mr. BYRNES and Mr. McCARRAN addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Maryland yield; and if so, to whom?

Mr. TYDINGS. I yield first to the Senator from South Carolina, and then I will yield to the Senator from Nevada.

Mr. BYRNES. I might suggest to the Senator from Michigan this statement of facts: The policy advocated by the Senator from Maryland would give to the Chief Executive under this bill an opportunity to correct a situation of this kind: Long after November 11, 1918, a young man who did not serve in the war may have enlisted in the Regular Army. If he were injured by falling off the piazza of a barracks at any time prior to July 2, 1921, under the veterans' legislation enacted by Congress, he is entitled to the same benefits as the boy who was injured in battle at Verdun or Chateau-Thierry. Now if a horizontal reduction were applied, it would take a small percentage away from the man who enlisted after the war, but there would be no opportunity afforded to rectify the injustice that would be imposed upon the hero of Verdun by placing him on the same footing with the man who has no disability connected with the service. An injustice such as I have referred to can be corrected, and I have abiding confidence that the Chief Executive will correct it.

Mr. VANDENBERG. I agree to the Senator's prospectus, but I submit that under this bill the hero of Verdun also loses his statutory rights.

Mr. BYRNES. No, Mr. President; I submit that under the terms of the bill, where a minimum and maximum are

fixed a veteran will lose it only if the Chief Executive shall do something which the Senator from Michigan and the Senator from Maryland and I am sure he will not do.

Mr. McCARRAN. Mr. President—

Mr. TYDINGS. I now yield to the Senator from Nevada.

Mr. McCARRAN. Referring to the statement of the Senator from Maryland that injustices may be wrought, is it not true that in order to rectify the injustice, if it is wrought, it must be rectified at the expense of the veteran?

Mr. TYDINGS. That is true, but may I say that if we do not do anything, then we keep the 14,000,000 people who have been out of employment for 3 years that much longer out of employment; we keep the depreciated farm values at their present low level; and we add an additional number of banks to the 6,000 which have failed.

So, Mr. President, much as I hate to cut a single dollar off the compensation of any veteran, much as I hate to lay the way open to the possibility of injustice, I think that the man who died in France during the war died that the institutions of this Government might survive, and as nearly as we can do so now, without any injustice, we should see that the institutions of this Government shall survive in this war against the depression.

We have two roads before us, and only two. One leads to uncontrolled inflation, when the Government's credit is gone. That means ruin and chaos and shambles for America. On the other hand, we can take some of the impact now. It will hurt us all, but it is the road to security, and in the end the Government employee and the veteran are going to be infinitely better off, to say nothing of the army of the unemployed, the ruined banks, depreciated farm values, and the distress and suffering which likewise will receive more speedy relief than if we postponed this action very long.

Mr. President, it is a very unpleasant duty for me as a veteran of the World War, who luckily escaped without any serious disability, to vote to take one iota from any man who served in the war, whether he has a disability which is connected with the service or which is nonservice connected; but I think the time has come when we have got to realize that again we are at war and we should be willing "to go over the top" behind a President who has a plan, who has courage, and who has in a week revitalized the fighting spirit of our people, and keep his program of recovery moving steadily on, so that we may restore confidence everywhere and relieve the distress of our people, veteran and nonveteran alike, as speedily as possible.

Mr. LA FOLLETTE. Mr. President, I offer an additional amendment, which I ask to have printed and lie on the table.

The PRESIDING OFFICER. The amendment intended to be proposed by the Senator from Wisconsin will be printed and lie on the table.

Mr. COPELAND. Mr. President, I ask the Senator from Mississippi to turn to page 4, section 6, particularly the top of page 5. Do I understand, if this bill shall be enacted, that those who have partial disabilities or temporary disabilities will not be entitled to hospital care?

Mr. HARRISON. Of course, it leaves it within the discretion of the President, but those non-service-connected cases will be permitted to have domiciliary care though not hospitalization.

Mr. COPELAND. I dare say the Senator, in his explanation, went into this matter at some length; but, even so, I venture to call his attention to the fact that tubercular patients and mental cases—20,000 of them—are rated as having temporary disability. They would be denied care, would they not?

Mr. HARRISON. They would be denied hospitalization, but they would not be denied domiciliary care.

Mr. COPELAND. I want to call the attention of the Senator to this fact: Of course this is an economy bill, and theoretically at least, if it shall be passed, there will be great economies effectuated; but how can there be any public economy if persons with tuberculosis and persons with mental disorders will have to be looked after in public in-

stitutions? There is no economy in this feature of the bill, because the public will be called upon to care for such cases.

Mr. President, I have not at my disposal the language which should be added here to guard this particular point, but I am satisfied that in the interest of public health and in the interest of public safety there should be some provision made for those veterans now given a temporary-disability rating who have tuberculosis and who have mental diseases.

Mr. HARRISON. Mr. President—

The PRESIDING OFFICER. Does the Senator from New York yield to the Senator from Mississippi?

Mr. COPELAND. I do.

Mr. HARRISON. I am advised that cases of that character would be classed as permanent disabilities, and that they would have hospitalization treatment in the soldiers' homes.

Mr. COPELAND. I hope the Senator is right about that; but if the bill is in the interest of economy, and it can be shown that no economy can be accomplished by this restriction, certainly the Senator would agree with me that language should be used which would do away with that particular obligation on the part of the President.

Mr. HARRISON. The Veterans' Administration estimate a possible saving of \$9,000,000 under this provision.

Mr. COPELAND. Yes; a saving of \$9,000,000 as far as the Federal Government is concerned, but there will be a charge of \$9,000,000 on the part of other divisions of government; so there will not be a saving as far as the public is concerned. There will be still a charge upon the taxpayers. So we are giving false hope to the country if we are saying that \$9,000,000 will be saved here, when, as a matter of fact, it will be merely a transfer of \$9,000,000 from the Federal Government to some other division of government, either State or local.

Mr. HARRISON. All of those cases are permitted to go into soldiers' homes, and there are hospitals connected with the soldiers' homes. It would not be hospitalization in the broad sense of the term as we call it in the case of veterans' hospitals generally, but the cases would have that treatment.

Mr. COPELAND. I cannot conceive it possible that in a soldiers' home there would be facilities ample to care for advanced cases of tuberculosis, or for doubtful cases of mental disturbance. I am very confident that there must be found some language to cover such cases. I shall attempt to find it if somebody else has not suggested it; but certainly, so far as this particular matter is concerned, I think there is a serious defect in the bill.

WAR CRY FOR WORLD DEMOCRACY; TODAY'S CRY FOR AMERICAN
DICTATORSHIP

Mr. LONG. Mr. President, I do not wish to take any of the time of the Senate, except that I do think that the worthy efforts of certain good citizens of this country to reduce the veterans' compensation should be properly advertised.

The \$35,000 contributed to the National Economy League to reduce the compensation and benefits to the veterans of the war, I think deserves specification.

Here are the people who have supplied the money for this noble effort which now culminates in this debate in the United States Senate. Here are the noble, self-sacrificing citizens who have come to the relief of the little taxpayer in order that they might take the money away from the veterans.

The contributors of \$1,000 or more to the National Economy League, as shown by the testimony of Henry H. Curran, director, before the joint committee on January 9, 1933, were as follows:

Anonymous, \$1,000. That is somebody who did not give his name, I understand.

Grenville Clark, \$1,500.

W. R. Coe, \$1,100.

Mrs. H. P. Davison, \$1,000. I understand that Mr. H. P. Davison is either a banker or a partner of J. P. Morgan.

Mr. REED. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Louisiana yield to the Senator from Pennsylvania?

Mr. LONG. Yes.

Mr. REED. Mr. H. P. Davison died several years ago.

Mr. LONG. Then he is dead. May I trouble the Senator to ask him who was H. P. Davison when he died?

Mr. REED. He was Mr. H. P. Davison, a man who rendered very high, patriotic service during the World War. He was a member of the firm of J. P. Morgan & Co. during his lifetime; yes.

Mr. LONG. Then the Senator and I are not quarreling over that.

Mr. ROBINSON of Indiana. Mr. President—

The PRESIDING OFFICER. Does the Senator from Louisiana yield to the Senator from Indiana?

Mr. LONG. Yes.

Mr. ROBINSON of Indiana. I assume that that is the widow of Mr. H. P. Davison.

Mr. LONG. Yes. The Senator states that Mr. Davison is dead, but when he was living he was a partner of J. P. Morgan & Co.

Mr. ROBINSON of Indiana. And this item is contributed by Mrs. Davison. This is Mrs. H. P. Davison.

Mr. LONG. And the dead liveth. "Though a man die, shall he live again?"

Mrs. E. Marshall Field, \$1,000.

Mr. and Mrs. Marshall Field, 3d, \$1,000. Big department-store, income, inheritance-tax payers; "patriotic service" in delivering a thousand beans in order that they might save a million!

Mr. and Mrs. Childs Frick, \$1,000. Everybody knows that wealthy family.

Mrs. Daniel Guggenheim, \$1,000.

Edward S. Harkness, of Standard Oil, American Telephone, United States Steel fame, \$5,000.

E. Roland Harriman, \$6,000.

Henry Ittleson, \$1,500.

George W. Naumburg, \$5,000.

Harold L. Pratt, \$1,000.

John D. Rockefeller, Jr., \$5,000.

H. H. Rogers, \$1,000—Standard Oil, too.

Mr. and Mrs. Carl Tucker, \$1,000.

Mr. and Mrs. Harrison Williams, \$1,000.

Seventeen contributors, totaling \$35,100.

I send this list to the desk and ask, for the sake of accuracy, that it may be printed in connection with my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

The list is as follows:

Contributors of \$1,000 or more to National Economy League as shown by testimony of Henry H. Curran, director, before joint committee January 9, 1933

Anonymous	\$1,000
Grenville Clark	1,500
W. R. Coe	1,100
Mrs. H. P. Davison	1,000
Mrs. E. Marshall Field	1,000
Mr. and Mrs. Marshall Field, 3d	1,000
Mr. and Mrs. Childs Frick	1,000
Mrs. Daniel Guggenheim	1,000
Edward S. Harkness	5,000
E. Roland Harriman	6,000
Henry Ittleson	1,500
George W. Naumburg	5,000
Harold L. Pratt	1,000
John D. Rockefeller, Jr.	5,000
H. H. Rogers	1,000
Mr. and Mrs. Carl Tucker	1,000
Mr. and Mrs. Harrison Williams	1,000

17 contributors.....\$35,100

Mr. LONG. Mr. President, it will do no good for me to say anything, except that my vote may be known to my constituents and to the people. I am sorry that I can be of no greater service to this country and to the men who fought for this country than simply to state how I am going to vote.

I am not going to vote this time with Mr. Morgan. I am not going to vote with Mr. Rockefeller. I was not with them

when they sent the soldiers to France. I was not with them when they sent them to Russia. I was not with them when they sent them to Italy.

I was not in favor of the war with Germany. I am not in favor of it now. Time has vindicated the position which I took then; and today, Mr. President, I am not going to be in favor of the National Economy League's program, regardless of who appears here now feeling, as no doubt he does, that it is a good thing for the country. I am not going to follow along in that kind of an effort here today.

They sent the soldiers with the brass bands playing and with the flags flying, promising them that when the camp fires had died down and they had returned home they were going to kill the fatted calf, that they were going to get the robe and put it on the back of the son returning home, and that the greatness of the land would be theirs eternally if ever they had the misfortune to suffer the slightest disability in the cause of serving democracy and humanity and America.

I did not go to that war, Mr. President. I was within the draft age. I could have gone, except for my dependents. I did not go because I did not want to go, even aside from that fact. That question was asked on the floor of the Senate. I did not go because I was not mad at anybody over there, for another reason. I did not go because it was not the first time in history that the sons of America had volunteered themselves as cannon fodder under the misguided apprehension that it was going to be a fight for humanity, when they were used in that war and in the years following, and are used today and will be in the years to follow, for the purpose of centralizing the wealth of the United States and of the world in the hands of the few.

How well did we come out of it? We went into the war with 2 percent of the people owning 60 percent of the wealth. We came out of the war with 1 percent of the people owning 60 percent of the wealth. We came out of that war and into this war with 5 percent of the people owning 85 percent of the wealth. We have come out of that war with dictatorships flowering in Italy, with dictatorships flowering in Germany, with dictatorships flowering all over the countries that we crossed 4,000 miles to "make them safe for democracy." We have come out, Mr. President, not with having made them democracies but instead to make America safe for dictatorship. They have crossed from the east to the west and made America safe for dictatorship, whereas we thought we had crossed from the west to the east to make Europe safe for democracy.

I am not going to be one of those who are going to line up with the National Economy League. I am not going to line up with the program of Mr. Rockefeller and of Mr. Harkness and of Mrs. Davison, nor of Morgan, nor of Mr. Field. If it were necessary in order to balance the Budget of this country, I would feel that I should line up with them; but it is not. I have filed in the CONGRESSIONAL RECORD, and there has been introduced in the House, a program by which we do not need to take any of the money out of the bleeding and wounded and suffering soldiers of this country. I know how little \$30 a month is to a man suffering with tuberculosis, because I have had to treat a few people for tuberculosis out of my own pocket; and I want to tell you that \$30 a month will not support one suffering with the fatal disease of tuberculosis.

Mr. ROBINSON of Indiana. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Louisiana yield to the Senator from Indiana?

Mr. LONG. I yield to the Senator from Indiana.

Mr. ROBINSON of Indiana. I only desire to observe that the great majority of those who will be victimized by this legislation, if it becomes law, receive \$12 a month.

Mr. LONG. That makes the crime five times as bad. I had understood that it was an average of somewhere around \$30 a month; but I am informed by my friend from Indiana that a great majority of the soldiers who are to be victimized by this legislation are actually receiving only \$12 a month.

Mr. President, some of those men have come back and have had to work days and months and years to get their claims established in the United States departments and in the United States courts. In some instances they have had to hire lawyers; they have had to call on their friends; and after hours and days and years of work and litigation, when the poor devil has established that he is suffering from a fatal disease resulting from his having been incarcerated in the Army of the United States—and I use the word "incarcerated" advisedly—now he comes and finds that regardless of his service, regardless of his status, regardless of his claim, regardless of the court, regardless of law, he is the victim, even though he is receiving the slight pittance of \$12 a month—this man who was sent, under the bonfires and the strains of the band, only 15 years ago to "make the world safe for democracy" in a war that has made America safe for dictatorship.

Mr. ROBINSON of Indiana. Mr. President—

The PRESIDING OFFICER. Does the Senator from Louisiana yield to the Senator from Indiana?

Mr. LONG. I yield to the Senator from Indiana.

Mr. ROBINSON of Indiana. I may observe further to my good friend from Louisiana that in order to receive \$12 a month the veteran must establish the fact that he is 25 percent totally and permanently disabled; that most of them are out of work. I think a great majority of them have no income excepting this \$12 a month, have families to support, and the only purchasing power they have is that \$12 a month, and now it is proposed that we take that from them in the interest of prosperity.

Mr. LONG. I had understood that, and it is a fact that these men have had to establish, in most cases contradictorily, that they have a 25 percent permanent disability, in order to get \$12 a month, and now it is proposed that we take that away from them.

I want to say, Mr. President, that if it were necessary in order to balance the Budget to take it away from the soldiers, we would have to do it, maybe, if that were the only course; but it is not.

I have caused to be introduced, and I have caused to be printed in the CONGRESSIONAL RECORD, a plan which would avoid doing that, and it is what was promised the people of the United States in the last national campaign. I have introduced a plan to carry out what was promised the people of the United States in the last national campaign; and if it were done, there would not be the necessity of anyone's coming here and asking us to inflict upon the veterans of any war any such dire consequences as must be contemplated by this legislation.

I have undertaken to cure this whole trouble of our national deficit and of a depression by carrying out campaign promises. The pending bill is not something that was promised in a political campaign; it was not a part of a campaign; it was not a part of a platform; and it was not a part of the promises of any candidate for President of the United States. My proposal is a part of the promises of the President and of the man against whom he was running, if we are to take his statements and read them in the light of what must be a reasonable interpretation.

I have proposed that this country embark upon a plan to let the living have a living, and to let those who have a superabundance of property contribute to the welfare of the country. I have proposed that this country be raised from this deplorable and sad state of depression. I have proposed that we go over the top and over the front-line trenches, as my friend from Maryland says, not by reaching down and taking part of the \$12 from some poor, disabled veteran of the World War who is dying with tuberculosis, but I have proposed to leave that poor patriot of this country with his little insignificant \$12 to eke out until the death shadow passes him on.

My remedy is a capital levy tax to pay for the war.

I can see the disastrous consequences of the bill we are now about to pass. We are going to pass it. Sure, we are going to pass it. I am going to vote against it, but that

will not make any difference. I may be here to vote a shorter time than some of those who will vote for it, but I have my ideas about the matter.

I propose that every man who owns a million dollars of property should contribute 1 percent to the Government. I propose that if a man owns \$2,000,000 he contribute 2 percent to the Government. That would mean only ten thousand dollars for the man who owns a million dollars, and that would leave him \$990,000. If he has \$2,000,000, I would take \$40,000, and that would leave him \$1,960,000. I propose that if a man has \$6,000,000, the Government should take 6 percent. I propose to take 1 percent from a man owning a million, and gradually go up until I would impose a capital-levy tax stopping fortunes at \$100,000,000.

Mr. President, I have proposed legislation for decentralizing and redistributing the wealth of the country, which can be resorted to if anybody wants to balance the Budget. I am not going to offer that plan now, but I show that it can be had, that if there is such a dire necessity that it be had, the bills which have been offered in the House can be passed by the same power that is behind the bill now being passed, and it will necessitate no such things as reaching down into the pockets of the masses and into the pockets of the disabled and into the pockets of the men drawing \$12 to \$30 a month for services they rendered this country.

We might as well decide this matter. This is the first step in the program, and we must decide whether we are going the route of decentralizing wealth, or whether we are going the route of impoverishing the masses. Do not make any mistake about it. Do not let yourself be fooled. This is the initial step in deciding whether or not this country shall come out by impoverishing the masses, or by putting through a law that will decentralize wealth. We cannot get out in any other way but one of those two ways. Either we have to make peasants of the people, or we have to decentralize wealth.

I am going the way the Lord pointed out. I am going the way the Lord said to go, through the decentralization of wealth. I am going the way Daniel Webster said to go; that Thomas Jefferson said to go; that Abraham Lincoln said to go; that Bryan said to go; that Christ said to go. I am going the way that was promised by the last President of the United States and by the present President of the United States, for both of them advocated decentralizing wealth to get this country out of its distress.

We do not have to go down and take one hundred and fifty or two hundred dollars out of the pockets of the poor little devil who is dying in a hospital today, getting \$12 a month, suffering with tuberculosis. We do not have to go down and get a dime out of his pocket, because if we will simply limit the fortunes so that they will not exceed \$100,000,000, there will be no need in this country, and there will be no such plague as we have.

It is not necessary to do this thing, and I, for one, will not support this or any other legislation of its kind.

Mr. HARRISON. Mr. President, I ask unanimous consent to substitute for the Senate committee bill House bill 2820, to maintain the credit of the United States Government.

The VICE PRESIDENT. Is there objection?

Mr. LA FOLLETTE. Mr. President, may I ask what would become of the amendments in that case?

Mr. HARRISON. I intend to offer the amendments which the Finance Committee has to offer.

The VICE PRESIDENT. Is there objection to the request of the Senator from Mississippi? The Chair hears none, and it is so ordered.

House bill, H.R. 2820, was read twice by its title.

Mr. DICKINSON. Mr. President, I expect to offer an amendment to strike out title I of the bill and to substitute in lieu thereof a bill which was very carefully prepared last year by the Economy Committee of the House and carefully considered by the Economy Committee of the Senate. With the additional section which I have added thereto, which is a flat cut in compensation and pensions amounting to \$124,000,000, according to the testimony before the Finance Com-

mittee last week, this would save between \$175,000,000 and \$200,000,000.

The Senator from Mississippi today stated, as I understood him, that the maximum amount of the savings to be made by this bill will be \$383,000,000. If the savings in title II are continued and the savings I have suggested in title I are carried on it would make a balanced bill which would meet the very purpose suggested by the Senator from Maryland [Mr. TYDINGS].

Mr. President, I have not been one of those who were fearful of the entire collapse of the finances of the Government. I believe that I have favored as sincerely and have voted as consistently for economy as any Member of the Senate, and I can see that there are a number of proposals which are now in the offing having to do with a half billion dollars for a construction program or two hundred million or three hundred million dollars to rent lands to take them out of cultivation, and if those proposals come in I wonder why the necessity for clamping down here to the last cent in this bill?

On the other hand, I do believe that a lot of grave injustices have grown up in the Veterans' Bureau. There are a number of conditions down there which were not the intent of Congress, I am convinced. The interpretation of the law has brought within the provisions of the law many classes of cases that were unthought of at the time the law was passed.

I am not proposing here anything that is new, because in the report of Representative McDUFFIE, this matter was presented to the House last year; it was made an amendment to the legislative bill; it was considered in the House of Representatives; it was brought to the Senate and considered by the Economy Committee and was practically all eliminated by a vote of the House and by a vote of the Senate, who would not accept the proposal.

On the other hand, these injustices are in the law. The way to correct the law is to amend the law or to repeal it. It is not necessary to have an Executive order made that will make the law inoperative.

Mr. McCARRAN. Mr. President, will the Senator yield?

Mr. DICKINSON. I yield.

Mr. McCARRAN. Apropos of the Senator's remarks, may we understand as to whether or not the committee proposes to offer amendments? I notice in the committee's report, which is a confidential report, they recommended the bill for passage with amendments. I should like to know whether or not the committee proposes to offer amendments; and if so, I ask that those amendments be offered now.

Mr. HARRISON. Mr. President, will the Senator from Iowa yield to me?

Mr. DICKINSON. I yield.

Mr. HARRISON. The Senate Committee on Finance adopted very few amendments, none of which change the structure of the bill. There were some clarifying amendments. I have just had the House bill substituted for the Senate bill. The draftsman is now preparing the amendments that were recommended by the Finance Committee, so as to have them inserted on the proper lines and pages of the House bill, and they will then be offered.

Mr. BARKLEY. Mr. President, if the Senator from Iowa will yield, the Senator from Nevada will find the amendments in the Senate committee bill as reported. They have been printed in italics, or lines have been stricken out of the bill.

Mr. HARRISON. I may say to the Senator, further, that the report he spoke of as a confidential report was the original report. The report that was filed is not confidential.

Mr. McGILL. Mr. President, will the Senator from Iowa yield to me?

Mr. DICKINSON. I yield.

Mr. McGILL. When the House bill is completed, will it be in the identical language of the Senate bill as reported by the committee?

Mr. HARRISON. By the Senate committee?

Mr. McGILL. Yes.

Mr. HARRISON. No; there is some variance between the House bill and the Senate committee bill, but the changes are very slight. The Senator from Kansas has an amendment to offer. There will not be any trouble about the Senator's amendment and the other amendments being put in the proper places in the House bill.

Mr. MCGILL. The substance will be the same?

Mr. HARRISON. Yes.

Mr. LONG. Mr. President, will the Senator from Iowa yield to me?

Mr. DICKINSON. I yield.

Mr. LONG. What the Senator from Mississippi wants to do is to substitute the House bill for the Senate bill. Otherwise it would necessitate its going to a committee.

Mr. HARRISON. That is true.

Mr. LONG. It takes unanimous consent to do that, does it not?

Mr. HARRISON. That has been agreed to.

Mr. LONG. To do away with the committee report and to substitute the House bill takes unanimous consent?

Mr. HARRISON. The Senate has taken that action. The House bill is now being considered.

Mr. McKELLAR. Mr. President, will the Senator from Iowa yield to me for a moment?

Mr. DICKINSON. I yield.

Mr. McKELLAR. I hope the Senator from Mississippi will consider very carefully the impounding provision as to the entire bill when he brings in his amendment to the House bill. I think it is absolutely necessary that that impounding provision should be in the bill.

Mr. McCARRAN. Mr. President, if the Senator from Iowa will yield further—

Mr. DICKINSON. I yield.

Mr. McCARRAN. For the purpose of clarifying the record may I have a definite statement from the Chairman of the Committee on Finance that the bill as placed before us striking out certain words and inserting certain words is the committee recommendation without further amendment?

Mr. HARRISON. Yes; the bill that was taken up for consideration this morning is the bill that was introduced with a few minor recommendations of the Finance Committee. The text of the House bill has been substituted for it, and all of the amendments that were recommended by the Finance Committee will be offered as amendments to the House text as the recommendations of the Finance Committee.

Mr. McCARRAN. I am entirely new and green with reference to this procedure. I respectfully suggest that we should have before us when we vote the bill that will become the law.

Mr. HARRISON. That is a very reasonable request for the Senator from Nevada to submit, and that will be done. The draftsmen are now preparing the amendments, showing the lines and pages where they are to be inserted, and they will be offered to the Senate as recommendations of the Finance Committee. That may be done before the Senator offers his amendment.

Mr. McCARRAN. Then we will have those amendments before us?

Mr. HARRISON. Oh, yes; certainly.

Mr. DICKINSON. Mr. President, as was suggested by the Senator from Michigan [Mr. VANDENBERG], by this one act, if passed in the form in which the committee has reported it, we are destroying 12 years of accumulation of veterans' legislation. I believe there are some gross injustices that have developed in that legislation. I know of no reason why we should not correct them legislatively. The committee that brought in the report on the measure which I have submitted here now as an amendment has been a long time developing it. It was reported to the House. It was carefully considered there. It was managed by a very able Member of the House, Mr. McDUFFIE. I believe there have been better hearings, closer hearings, and better consideration given to the type of approach to veterans' legislation in this bill than in the one now pending before the Senate.

So also as to title I complying with title II. In other words, it places a limitation upon what the amount should be, how much the reduction shall be, how the reduction shall be made, and what injustices shall be removed from the legislation. As has already been stated, the one thing about the bill is that it does transfer legislative authority to the Executive. He has asked us to undo many things we have done here legislatively. It is our problem to correct those errors. If the grants are too generous, we ought to correct them. It ought not to be done by Executive order. We ought not to try to transfer the responsibility. I know of no reason why the Senate should not take up this carefully considered House bill and give it consideration in lieu of the one we now have before us.

Section 1 of my amendment affects 21,800 veterans. If enacted into law, the total saving would be about \$14,000,000. It has to do with the exemptions that are allowed emergency officers. Section 1, subject to certain exceptions enumerated by law, prohibits the payment or granting of allowances, compensation, retired pay under the Emergency Officers' Retirement Act of May 24, 1928, pension, hospitalization, domiciliary care administered by the Veterans' Administration to any person whose net income, as defined by the Administrator of Veterans' Affairs, is \$1,500 or more, if single, or \$3,500 or more, if married, with \$400 additional for each dependent for the year preceding the date of the enactment of this act. In other words, it provides that a retired officer shall waive his right to this compensation if he has that amount of income. It puts him in the same classification as does the income tax law.

In order to show that this provision does not impose any injustices, there are certain classes that are exempt:

First. Those persons who have attained the age of 65 years.

Second. Those persons who served in the active military or naval forces and actually suffered an injury or contracted a disease in line of duty as a result of and directly attributable to such service. To come within this exception the veteran must show some causative factor such as an injury or extreme exposure arising out of and in the course of the performance of his duty and directly resulting from such performance of duty.

Third. Those persons who are temporarily totally disabled or permanently and totally disabled as the result of disease or injury acquired in or aggravated by active military or naval service. To come within this exemption the veteran need only show entitlement to service connection for his disability under the general law as governing payment of compensation or pension and be actually totally disabled.

Fourth. All widows and dependents entitled to compensation or pension on account of the death of any person who served in the actual military or naval service.

Fifth. Those persons who were actually engaged in combat with the enemy, who served in a zone of hostilities, or who were actually under fire.

I do not see how that would force any injustice on any retired officer under this provision.

Section 2 would amend section 202, subdivision 7, of the World War Veterans' Act, 1924, as amended, the pension statutes, the laws governing the granting of domiciliary care by the Veterans' Administration, and the Emergency Officers' Retirement Act of May 24, 1928, so as to provide that as of the first day of the third calendar month following the date of this act, any single person in a United States soldiers' home, National or State soldiers' home, St. Elizabeths Hospital, or Veterans' Administration hospital, or who is maintained in an institution by the Veterans' Administration, for a period of 30 days or more, the compensation, pension, allowance, or retired pay of the Emergency Officers' Retirement Act of May 24, 1928, shall not exceed \$20 per month so long as he shall thereafter continue with the institution.

What does that mean? Under the present law a veteran goes to the hospital. He is drawing \$85 or \$100 a month compensation. He draws the whole thing. He contributes nothing. He gets his medical aid, his entire care while in the hospital, without contributing a nickel to it. Under the

old law there was given to the Civil War veterans and Spanish War veterans an allowance of \$20. The rest of the compensation went to the home, and in this instance would stay in the Veterans' Bureau.

It is estimated that this section would affect 5,920 persons and the saving would amount to approximately \$5,370,000.

Section 3 covers the retired pay. This section of the amendment provides that payment of retirement pay under the Emergency Officers' Retirement Act of May 24, 1928, will not be authorized unless the person served as a member of the Military or Naval Establishment between April 6, 1917, and November 11, 1918. There will be 3,200 officers affected by this provision, and the saving would amount to \$3,386,000 annually.

Section 4 is the per diem allowance. There are 31,000 affected, and the saving is estimated at \$300,000.

Section 5 is retroactive benefit provision, there being 35,000 veterans affected and a saving of \$13,694,000.

Section 6 has reference to the transfer to the pension list from the compensation list. It would affect 13,100 soldiers, and the savings would be \$3,649,000.

Section 7 imposes certain restrictions on the insurance provision in the law. It has to do with the limitation of suits. There is no estimated saving, because no one knows exactly what the saving would be.

Section 8 has to do with the distribution of insurance, providing, instead of having the insurance go to remote heirs or indirect heirs, that in case there are no direct heirs it shall revert to the Government. The savings there, with 2,800 involved, would amount to \$9,000,000.

Section 9 has to do with attorneys' fees, a very liberal provision.

Section 10 of the amendment has to do with the 15 per cent deduction from the compensation and pensions, the estimated saving being \$124,000,000.

Mr. VANDENBERG. Mr. President—

The VICE PRESIDENT. Does the Senator from Iowa yield to the Senator from Michigan?

Mr. DICKINSON. I yield.

Mr. VANDENBERG. Do I understand that all of the provisions down to section 10 are out of the economy recommendations approved by the Economy Committees of both House and Senate in the last session?

Mr. DICKINSON. That is correct. All of them were considered, the Veterans' Bureau consulted all along the line, and there is not a single provision in here but what has been recommended and presented to the House, and recommended and presented to the Senate.

Mr. VANDENBERG. It was the result, as I recall, of a rather lengthy and substantial survey and inquiry into the entire situation?

Mr. DICKINSON. That is correct.

Mr. President, the bill in its present form is a delegation of power that I cannot support. I am for economy in veterans' legislation. I believe there should be some economies there. On the other hand, I do not believe we should delegate that power to the Executive Office in order to get the savings. Therefore I know of no reason why the Senate should not consider my amendment. I believe it is more carefully prepared than the present bill. We know, if we enact it into law, what our savings are going to be. There is no estimate about it. It is not a maximum saving that may be reached. There is no possibility of a man saying, "Congress enacted this law giving me certain authority; but instead of exercising it, I will not impose the penalties on this or that class." If these are injustices, so far as the Government is concerned, we ought to be willing to say so. If they are not, we ought to find a way by which we can raise the money to pay the compensation to the veterans. This body and the body at the other end of the Capitol should determine that question, because we are the legislative representatives of the people of this country of ours.

Mr. President, I send to the desk the amendment to which I have been referring and ask that it may be printed and lie on the table.

The VICE PRESIDENT. The amendment will be printed and lie on the table.

Mr. BAILEY. Mr. President, I am for this bill wholeheartedly and without reservation or apology.

I honor the President for his courage and wisdom in proposing it. In my view, it is a national necessity and relates more directly to the problem of deliverance from our ills than any other measure proposed since they first began to beset us. It comes late, 2 years at least later than it should have come, but it does not come too late. We may begin with the passage of this bill the rebuilding of the great structure which has fallen tier after tier since November 1929—a period of more than 40 months of futile discussion, of vain undertakings, of increasing difficulty, of false prophecies, and of intensifying despair.

Its enactment will give assurance to the American people that the Congress is supporting their chosen leader, shares their faith in him, and does not hesitate to respond to his call to action at a time when every human being in the land seeks to hear from him the one clear voice of a great people's deliverance.

The bill proposes to have done by the President what has not been done, and in the nature of things could not be done, by the Congress. Our defense is not that we would not have done it, but that we could not have done it. The task is too vast, too varied, and too intricate for specific legislative action. It is a task for one brain and one will capable of prompt decision and instant action. Our Republic will not tolerate a dictator, but from the days of its beginning it has always demanded a leader. It was so in the day of Washington; it was so in the day of Lincoln; it was so in the day of Wilson; it is so in the day of Franklin Roosevelt.

I agree that to submit such a task to the President is extraordinary; but since, in its very nature it is not a practicable legislative task, we can do nothing better than to submit it to the President, elected by the people and responsible to them. I do not mean by this to diminish in any degree my own responsibilities. I, too, shall answer as he answers to them, and I shall assume my full share for every act done by him under the powers granted by my vote.

The bill proposes to lift, without delay, from the back of a struggling people the sum of \$500,000,000 annual taxes. This is its justification; and it is a consummation in which every one of us ought to be proud to have a share.

Mr. President, there can be no serious doubt as to the relation of the excessive tax burden to the depressed state of our agriculture, our wages, our unemployment, our industry, and our commerce, and to our difficulty of recovery.

Excessive debt and excessive taxes—Federal, State, and local—were the underlying causes of the depression and likewise the chief contributing factors in prolonging and intensifying it. They are no less the principal obstacles to overcoming it. This excessive debt and these excessive taxes were pyramided under the influence of a rapid and vast expansion and inflation, which were bound to culminate in disaster; and when the culmination took place, commodity prices, especially agricultural-commodity prices, under the pressure of the tax load and the debt load, fell below the 1913 level, below even the 1897 level, and below even the 50-year or 100-year average, leaving us with taxes and debts pitched upon the 1928-29 level, with an annual income so impaired that neither taxes nor debts could be paid. This is the formula of our ruin. This is the vicious cycle that must be arrested.

Each year since 1929, in which we have striven so vainly to bear the 1928-29 load of debt and taxes with 1931-32 income, has but served to make bad matters worse; and it is safe to say that so long as this situation continues, matters will continue to go from bad to worse and not stop short of utter and universal ruin, in which taxes and debt will go the way of income—to extinction.

To this downward progress this bill proposes that a halt shall be called, and that without injustice to any man; indeed, in the interest of every man, woman, and child in our land—not less to the soldiers and the public servants than to the farmers and workers, commerce, and industry. With-

out injustice, I say, to any soldiers. The compensations for war service are always within the discretion of the Government and should always be measured in terms of the general welfare. The soldiers themselves would not have it otherwise. Our pension expenditures now come to \$3,000,000 per day, nearly a billion dollars per year.

A further consideration of great value is that this bill looks to the balancing of our Federal expenditures with receipts. Members of the Senate have spoken lightly about balancing the Budget. It is the most serious proposition before us. It is simple common sense that unbalanced budgets demand increased taxation and result in uncertainty in business and unstable commodity prices. They are more costly than the taxes required to balance them. Three years of deficits have taken a fearful toll from the wages of workers and the prices of farmers. We ought to have an end of this uncertainty, of this pernicious influence, at the earliest moment. It is an indispensable part of the foundation of the rebuilding, which we will further delay at our utmost peril.

I may say in passing that we may likewise reduce the excessive burden of debt, that even in the recently enacted bankruptcy act and the emergency banking act we have provided substantially for such reduction. We can and will go farther, if necessary. But our immediate opportunity is to reduce the tax burden; and not only ought the Federal Government to do this but every State and local subdivision ought to join in this task of deliverance—the task of freeing a great, struggling, and good people of burdens too great to be borne.

I read in the press of Saturday a most gratifying statement from the president of the National Federation of Federal Employees with reference to this bill, giving assurance that "the Federal employees are ready to cooperate to the fullest possible extent to bring about better conditions of life and living." That is precisely the objective of the measure. I agree that the average pay of the Federal employees has not been high in relation to normal conditions. I think it is lower than that in the States. All that is proposed now as to their salaries and wages is that they shall be adjusted to the difference in the cost of living as compared with 1928. We propose to take nothing from them that they enjoyed in the most prosperous year. We propose only that they shall not be the beneficiaries of the depression; that they shall not be the gainers by reason of the ruined condition of the taxpayers, whose servants they are and from whose depleted pockets they draw their wages and salaries; that they shall not profit at the expense of the farmers and workers, whose prices and wages have been so reduced.

Men and women in public positions ought not to seek for themselves better estate and condition than of those whom they serve and from whom their incomes are derived. And it must be observed that, even with their wages and salaries reduced by the maximum of 15 per cent, their lot will be better than that of fully 80 per cent of the people. I urge them to stand up to the high standard of the president of their organization and "carry on." And if there be one who is not satisfied to do this, he ought to resign in order to realize the condition of his fellows, whose servant he is, and give place to any one of the millions who would be happy to take his reduced salary and who would do his work quite as well. This is no time for grumblers in the Government service.

Mr. President, it has been spread abroad, even from this Chamber, that our Republic could get all the revenue it needs from the wealthy. This is not the fact. The number of the wealthy has been greatly reduced. All fortunes have been depleted. There has been a general and not unwholesome leveling of material estate throughout our population. When we could, we did derive \$2,500,000,000 per year from taxes on incomes. That is a sheer impossibility now. The fact is that, with greatly increased rates, we are deriving less than half that sum, and as matters are going it is a question whether any rates, however high, will avail us to derive more.

It is quite clear that in the last Congress we reached the point of taxing the poor, of directly taxing them. We have always indirectly taxed them. All taxes bear down upon the humble—upon the wages of the worker and the prices paid the farmer. But we came last year reluctantly to the necessity of directly taxing the poor. And since the taxes levied have proved by no means sufficient to meet expenditures, we are now confronted with the alternative of still further directly taxing the poor—and they are now very poor, indeed—or enacting this bill. This is the plain alternative, and no amount of words can alter it. Those who vote against this bill must vote for measures to produce \$500,000,000 of additional taxes, the burden of which will press down upon an impoverished people.

Mr. McCARRAN. Mr. President, will the Senator permit a question pertinent to the last remark he made?

The VICE PRESIDENT. Does the Senator from North Carolina yield to the Senator from Nevada?

Mr. BAILEY. I yield.

Mr. McCARRAN. Where did that \$500,000,000 come from that supplied the needs for the past two and a half years?

Mr. BAILEY. Mr. President, I think it came by way of borrowed money.

To put it plainly, not to vote for this bill is to demand at once additional taxation to the amount of \$500,000,000, most of it to be imposed directly upon the poor—all of it to fall directly or indirectly upon the wages of the laborer, the activity of industry, the prices of the farmer, or to be reflected in additions to the millions of the unemployed.

So far as the war veterans are concerned, I am sure that they will welcome the revision of a system that has become characterized not only by wretched inequalities but also has been disgraced with impositions in the nature of fraud so numerous that in nearly every community men are pointed out who are drawing monthly checks from the Treasury but who have suffered disabilities so slight that their associates can not detect them. This sort of thing has done the deserving veteran infinite harm, and he will be the first to welcome the correction of it.

Nor do I suspect that in the present emergency deserving veterans will object to such reductions as may be imposed. They will trust the President. The quality of their patriotism has been proved. Those who offered their lives in obedience to their country, without question of reward, will not hesitate to yield a portion of the compensation or allowance a grateful country granted them in a more prosperous period, now that we have fallen into adversity. They will put to shame the agitators who would make capital of their title to the Republic's honor and gratitude, or found a personal cause upon their fame as soldiers.

Mr. President, I come from the land of the Confederacy, the land of Lee and Jackson, and the Confederate soldier. The generation of my youth was a generation of soldiers. My State sent more men to battle, and left more men dead on the field of honor than any State of them all, North or South. I could not be wanting in veneration for the soldier in any country or clime. I believe in this Union, and I would bring to it all I am capable of. The best gift I could ever bring to this Union is the postwar spirit of the Confederate soldier in a time like this. I venture the undertaking here.

Did they receive pensions? No. Did they seek allowances? No. Did they complain? No. Grateful and proud but impoverished States voted humble gratuities to a few; but, for the most part, they sought nothing and received nothing save the honor and glory which none could give, and none can ever take away. That they were soldiers who, in obedience to their States, had offered their lives, was sufficient. They sought only the opportunity to rebuild a civilization that had been devastated—to rebuild upon foundations of ruin and poverty, and without material possessions, or any assistance from others—nay, to rebuild upon foundations solely of their own courage, faith, and character. This opportunity they themselves created; and by endurance and industry worthy of their valor in 4 years of battle, under

conditions of unsurpassed hardship, they did rebuild a better and nobler civilization, loyal to this Union and an everlasting source of honor and power to it. It was a 30-year task—30 years of struggle against overwhelming odds. But they never flinched or faltered, nor did the flame of their faith fail them. They sought no assistance, but in self-respect, self-reliance, and high endeavor they triumphed, leaving to their sons and to this Union not only a great material heritage but also an example in which we may find, now and henceforth, everlasting inspiration.

I speak now to their sons and grandsons of more recent wars, and to their brothers in arms throughout our country. I would be the last to say that the veterans of North Carolina are unworthy of their sires, or are unmindful of the blessed heritage they have received from them. I would be the first to say that they are as ready now to make sacrifices for their country as ever their fathers were.

I have heard the demands of the lobby; but I know that the men whom they seek to represent will not hesitate to support our President and our country, will not hesitate to trust him, will not hesitate to accept the decisions he shall make in the interest of all the people, will not hesitate even to applaud his high motives and courage, as he seeks, even at the expense of their pensions, allowances, and compensations, to lay a sure foundation upon which they may rebuild here a better civilization for themselves and all who shall come after them.

If they sought reward or compensation in time of prosperity, they will nevertheless prove equal, as did their sires, to the stern necessities and the sacrifices of our present adversity.

They, too, will rebuild our civilization. They are no less now the noble company of the Republic's defense and the world's deliverance than they were 30 years ago or 15 years ago, when they gave to this Republic and all the world the assurance of America's capacity and character, when they gave the pledge of blood that the spirit of their soldier sires had not been diminished with the passage of time, or impaired by the softer experiences of peaceful and prosperous years. So far from resenting the enactment of this bill, so far from complaining, I would consider that I had done them dishonor if I intimated or suspected that they will not applaud it.

Altogether, Mr. President, I see in this bill a great opportunity of genuine service to the American people, the manifestation of the leadership and the courage that the time demands, the lifting of a load of taxes that stands in the way of rebuilding and recovery, the lifting of which will bring hope to tens of millions of men and women who now for 40 months have struggled all but vainly against forces that would have overwhelmed any other people. With unsurpassed morale, with heroic patience, with patriotic devotion they have carried on; they have endured. In them we find the foundation of our rebuilding and the hope of a better civilization than we have ever known. It is nothing less than our plain duty to reward them with measures undertaken with spirit worthy of theirs. It is as righteous as it is wise to lift from their weary shoulders the excessive burden of debt and taxes in order that they may respond to the brave spirit that animates them and go forward.

Mr. McCARRAN. Mr. President, I have offered six amendments. I have assurance from the chairman of the Committee on Finance that these amendments shall be considered. In order to protect myself, in view of my ignorance of the rules, I now offer those amendments and ask the privilege of having the closing address in furtherance of them.

Mr. HARRISON. Mr. President, that is a rather unusual request. Personally, I should be very glad to see the Senator have the closing on the matter; but I think we had better let it go in the regular order.

The VICE PRESIDENT. Objection is heard.

Mr. WALSH. Mr. President, I present some amendments to the pending bill and ask that they be printed and lie on the table.

The VICE PRESIDENT. The amendments will be printed and lie on the table.

Mr. HARRISON. Mr. President, I ask unanimous consent that the House bill which is now being considered may be printed with the committee amendments as recommended by the Committee on Finance.

The VICE PRESIDENT. Is there objection?

Mr. McCARRAN. One moment, Mr. President.

Mr. HARRISON. May I say to the Senator from Nevada that I make the request for the convenience of the Senator and of the Senate, so that the amendments will appear just as they do in the original bill that was recommended by the Finance Committee.

The VICE PRESIDENT. Is there objection?

Mr. McCARRAN. Mr. President, I do not care to object until I am thoroughly advised. When I am thoroughly advised, if the information that has come to me is correct I may object. I want to know if my amendments shall be considered, and if I shall have the opportunity of addressing the Senate in furtherance of them.

Mr. HARRISON. There would be no objection in the world to that.

Mr. McCARRAN. May I be given that assurance?

Mr. HARRISON. Personally, so far as I can assure the Senator, he may speak on each one of them, and will have the privilege of offering them. The only thing that I objected to, because it was a rather unusual request, was that on each of his amendments the Senator should have the closing argument.

Mr. McCARRAN. No; I do not care for that. I do care for the closing argument on all of them combined and would like to make one argument on all. If the Senator will consent to that, I shall have no objection to his request.

Mr. ROBINSON of Arkansas. Mr. President, I point out to the Senator from Nevada that it is not possible to make such an arrangement without entering into an agreement to limit debate or to fix a time for a vote on his amendments.

The VICE PRESIDENT. Is there objection to the request of the Senator from Mississippi?

Mr. McCARRAN. I object temporarily, but only for the purpose of clarification. I do not wish to be discourteous to the Senator. I may have been discourteous day before yesterday.

Mr. HARRISON. Oh, no; the Senator never is discourteous to me, and I never will be discourteous to him.

Mr. McCARRAN. True friends never are discourteous to each other.

Mr. HARRISON. Never.

Mr. McCARRAN. But if it is necessary to offer my amendments now in order to be heard on them, then I want to do so.

Mr. HARRISON. It will not be necessary. The Senator can offer his amendments now and have them printed or he can offer them tomorrow and speak on them.

The VICE PRESIDENT. The amendments of the Senator from Nevada have already been ordered to be printed and lie on the table.

Mr. McCARRAN. If a vote on this bill is to be forced tonight—

Mr. HARRISON. No; Mr. President, I intend to call for no vote tonight and force no vote tonight. There is no disposition in the world here that I can see to bring about unreasonable delay in the consideration of this bill. The Senator from Nevada has shown a fine spirit, and every other Senator has, both on the other side and on this side. I feel that we can recess pretty soon now, and go along tomorrow and probably reach a vote tomorrow. I hope so, at least.

Mr. McCARRAN. With the understanding that I may be heard in furtherance of my amendments, I shall not object.

Mr. HARRISON. The Senator will have that right.

The VICE PRESIDENT. Is there objection to the request of the Senator from Mississippi? The Chair hears none.

EXECUTIVE SESSION

Mr. ROBINSON of Arkansas. I move that the Senate proceed to the consideration of executive business in open session.

The VICE PRESIDENT. The question is on the motion of the Senator from Arkansas.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

The VICE PRESIDENT laid before the Senate the following nominations from the President of the United States, which were referred as follows:

Jesse Isidor Straus, of New York, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to France; to the Committee on Foreign Relations.

Josephus Daniels, of North Carolina, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Mexico; to the Committee on Foreign Relations.

Robert Worth Bingham, of Kentucky, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Great Britain; to the Committee on Foreign Relations.

Eugene O. Sykes, of Mississippi, to be a member of the Federal Radio Commission for a term of six years from February 24, 1933 (reappointment); to the Committee on Interstate and Foreign Commerce.

JOHN H. HOLLIDAY

Mr. TYDINGS, from the Committee on Territories and Insular Affairs, reported back favorably, with the recommendation that the nomination be confirmed, the nomination of John H. Holliday, of Missouri, to be Vice Governor of the Philippine Islands, to which office he was originally appointed ad interim on August 13, 1932, vice George C. Butte, resigned, and was reappointed ad interim on March 7, 1933.

POST OFFICE DEPARTMENT

Mr. McKELLAR. From the Committee on Post Offices and Post Roads, I report back favorably the nominations of the four Assistant Postmasters General and ask unanimous consent for their immediate consideration.

The VICE PRESIDENT. Is there objection? The Chair hears none. The nominations will be read.

The Chief Clerk read the nomination of Joseph C. O'Mahoney, of Wyoming, to be First Assistant Postmaster General.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of William W. Howes, of South Dakota, to be Second Assistant Postmaster General.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of Clinton B. Ellenberger, of Pennsylvania, to be Third Assistant Postmaster General.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of Silliman Evans, of Texas, to be Fourth Assistant Postmaster General.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

Mr. McKELLAR. I ask unanimous consent that the President be notified of the confirmation of these nominations.

The VICE PRESIDENT. Is there objection?

Mr. LA FOLLETTE. Mr. President, is there any necessity for that being done at this time?

Mr. McKELLAR. Except that the nominees are all in office, and, of course, they are very anxious to know whether they are going to be confirmed.

Mr. LA FOLLETTE. They will be notified in due course. Unless there is some special reason for haste, in which case I have no objection, I suggest that the matter take the usual course.

Mr. McKELLAR. Very well; I withdraw the request if the Senator objects.

The VICE PRESIDENT. The request is withdrawn.

The Senate resumed legislative session.

ADDRESS OF THE PRESIDENT ON THE BANKING SITUATION

Mr. ROBINSON of Arkansas. Mr. President, I ask to have printed in the RECORD a radio address delivered last evening by the President of the United States having relation to the conditions prevailing with respect to banking.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

I want to talk for a few minutes with the people of the United States about banking—with the comparatively few who understand the mechanics of banking, but more particularly with the overwhelming majority who use banks for the making of deposits and the drawing of checks. I want to tell you what has been done in the last few days, why it was done, and what the next steps are going to be. I recognize that the many proclamations from State capitols and from Washington, the legislation, the Treasury regulations, and so forth, couched for the most part in banking and legal terms, should be explained for the benefit of the average citizen. I owe this in particular because of the fortitude and good temper with which everybody has accepted the inconvenience and hardships of the banking holiday. I know that when you understand what we in Washington have been about, I shall continue to have your cooperation as fully as I have had your sympathy and help during the past week.

First of all, let me state the simple fact that when you deposit money in a bank the bank does not put the money into a safe-deposit vault. It invests your money in many different forms of credit—bonds, commercial paper, mortgages, and many other kinds of loans. In other words, the bank puts your money to work to keep the wheels of industry and of agriculture turning around. A comparatively small part of the money you put into the bank is kept in currency—an amount which in normal times is wholly sufficient to cover the cash needs of the average citizen. In other words, the total amount of all the currency in the country is only a small fraction of the total deposits in all of the banks.

What, then, happened during the last few days of February and the first few days of March? Because of undermined confidence on the part of the public, there was a general rush by a large portion of our population to turn bank deposits into currency or gold—a rush so great that the soundest banks could not get enough currency to meet the demand. The reason for this was that on the spur of the moment it was, of course, impossible to sell perfectly sound assets of a bank and convert them into cash except at panic prices far below their real value.

By the afternoon of March 3 scarcely a bank in the country was open to do business. Proclamations temporarily closing them in whole or in part had been issued by the governors in almost all the States.

It was then that I issued the proclamation providing for the Nation-wide bank holiday, and this was the first step in the Government's reconstruction of our financial and economic fabric.

The second step was the legislation promptly and patriotically passed by the Congress confirming my proclamation and broadening my powers so that it became possible in view of the requirement of time to extend the holiday and lift the ban of that holiday gradually. This law also gave authority to develop a program of rehabilitation of our banking facilities. I want to tell our citizens in every part of the Nation that the National Congress—Republicans and Democrats alike—showed by this action a devotion to public welfare and a realization of the emergency and the necessity for speed that it is difficult to match in our history.

The third stage has been the series of regulations permitting the banks to continue their functions to take care of the distribution of food and household necessities and the payment of pay rolls.

This bank holiday, while resulting in many cases in great inconvenience, is affording us the opportunity to supply the currency necessary to meet the situation. No sound bank is a dollar worse off than it was when it closed its doors last Monday. Neither is any bank which may turn out not to be in a position for immediate opening. The new law allows the 12 Federal Reserve banks to issue additional currency on good assets, and thus the banks which reopen will be able to meet every legitimate call. The new currency is being sent out by the Bureau of Engraving and Printing in large volume to every part of the country. It is sound currency because it is backed by actual, good assets.

A question you will ask is this: Why are all the banks not to be reopened at the same time? The answer is simple. Your Government does not intend that the history of the past few years shall be repeated. We do not want and will not have another epidemic of bank failures.

As a result we start tomorrow, Monday, with the opening of banks in the 12 Federal Reserve bank cities—those banks which on first examination by the Treasury have already been found to be all right. This will be followed on Tuesday by the resumption of all their functions by banks already found to be sound in cities where there are recognized clearing houses. That means about 250 cities of the United States.

On Wednesday and succeeding days banks in smaller places all through the country will resume business, subject, of course, to the Government's physical ability to complete its survey. It is necessary that the reopening of banks be extended over a period in order to permit the banks to make applications for necessary loans, to obtain currency needed to meet their requirements, and to enable the Government to make common-sense check-ups.

Let me make it clear to you that if your bank does not open the first day, you are by no means justified in believing that it will not open. A bank that opens on one of the subsequent days is in exactly the same status as the bank that opens tomorrow.

I know that many people are worrying about State banks not members of the Federal Reserve System. These banks can and will receive assistance from member banks and from the Reconstruction Finance Corporation. These State banks are following the same course as the national banks, except that they get their licenses to resume business from the State authorities, and these authorities have been asked by the Secretary of the Treasury to permit their good banks to open up on the same schedule as the national banks. I am confident that the State banking departments will be as careful as the National Government in the policy relating to the opening of banks and will follow the same broad policy.

It is possible that when the banks resume, a very few people who have not recovered from their fear may again begin withdrawals. Let me make it clear that the banks will take care of all needs—and it is my belief that hoarding during the past week has become an exceedingly unfashionable pastime. It needs no prophet to tell you that when the people find that they can get their money—that they can get it when they want it for all legitimate purposes—the phantom of fear will soon be laid. People will again be glad to have their money where it will be safely taken care of and where they can use it conveniently at any time. I can assure you that it is safer to keep your money in a reopened bank than under the mattress.

The success of our whole great national program depends, of course, upon the cooperation of the public—on its intelligent support and use of a reliable system.

Remember that the essential accomplishment of the new legislation is that it makes it possible for banks more readily to convert their assets into cash than was the case before. More liberal provision has been made for banks to borrow on these assets at the reserve banks and more liberal provision has also been made for issuing currency on the security of these good assets. This currency is not fiat currency. It is issued only on adequate security—and every good bank has an abundance of such security.

One more point before I close. There will be, of course, some banks unable to reopen without being reorganized. The new law allows the Government to assist in making these reorganizations quickly and effectively, and even allows the Government to subscribe to at least a part of new capital which may be required.

I hope you can see from this elemental recital of what your Government is doing that there is nothing complex or radical in the process.

We had a bad banking situation. Some of our bankers had shown themselves either incompetent or dishonest in their handling of the people's funds. They had used the money entrusted to them in speculations and unwise loans. This was of course not true in the vast majority of our banks, but it was true in enough of them to shock the people for a time into a sense of insecurity and to put them into a frame of mind where they did not differentiate, but seemed to assume that the acts of a comparative few had tainted them all. It was the Government's job to straighten out this situation and do it as quickly as possible—and the job is being performed.

I do not promise you that every bank will be reopened or that individual losses will not be suffered, but there will be no losses that possibly could be avoided, and there would have been more and greater losses had we continued to drift. I can even promise you salvation for some at least of the sorely pressed banks. We shall be engaged not merely in reopening sound banks but in the creation of sound banks through reorganization.

It has been wonderful to me to catch the note of confidence from all over the country. I can never be sufficiently grateful to the people for the loyal support they have given me in their acceptance of the judgment that has dictated our course, even though all our processes may not have seemed clear to them.

After all, there is an element in the readjustment of our financial system more important than currency, more important than gold, and that is the confidence of the people. Confidence and courage are the essentials of success in carrying out our plan. You people must have faith; you must not be stampeded by rumors or guesses. Let us unite in banishing fear. We have provided the machinery to restore our financial system; it is up to you to support and make it work.

It is your problem no less than it is mine. Together we can not fail.

REDUCTION OF EXPENDITURES

The Senate resumed the consideration of the bill (H.R. 2820) to maintain the credit of the United States Government.

RECESS

Mr. ROBINSON of Arkansas. I move that the Senate take a recess until 12 o'clock noon tomorrow.

The VICE PRESIDENT. The question is on the motion of the Senator from Arkansas.

The motion was agreed to; and (at 5 o'clock and 43 minutes p.m.) the Senate took a recess until tomorrow, Tuesday, March 14, 1933, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate March 13, 1933

AMBASSADORS EXTRAORDINARY AND PLENIPOTENTIARY

Robert Worth Bingham, of Kentucky, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Great Britain.

Jesse Isidor Straus, of New York, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to France.

Josephus Daniels, of North Carolina, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Mexico.

MEMBER OF THE FEDERAL RADIO COMMISSION

Eugene O. Sykes, of Mississippi, to be a member of the Federal Radio Commission for a term of 6 years from February 24, 1933. (Reappointment.)

CONFIRMATIONS

Executive nominations confirmed by the Senate March 13, 1933

FIRST ASSISTANT POSTMASTER GENERAL

Joseph C. O'Mahoney to be First Assistant Postmaster General.

SECOND ASSISTANT POSTMASTER GENERAL

William W. Howes to be Second Assistant Postmaster General.

THIRD ASSISTANT POSTMASTER GENERAL

Clinton B. Eilenberger to be Third Assistant Postmaster General.

FOURTH ASSISTANT POSTMASTER GENERAL

Silliman Evans to be Fourth Assistant Postmaster General.

HOUSE OF REPRESENTATIVES

MONDAY, MARCH 13, 1933

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D.D., offered the following prayer:

Beneath Thy mighty hand, O God, we humble ourselves. With Thee a thousand years are as a day and a day as a thousand years. We praise Thee that back of the flight of time there is the sheltering, loving heart of our Heavenly Father. We thank Thee for Thy daily care. Holy Spirit, help us to be calm in the presence of difficulty, patient in the face of hard problems, strong and compelling in our decisions. Most earnestly impress us that the finest reach of manhood is to care and provide for the weak, the distressed, and the unfortunate. Set before us this goal, namely, high character, which is the true achievement of life. O come to this waiting, longing world all about us. May we love God, trust the Savior of the world, serve man, and fear only evil. Amen.

The Journal of the proceedings of Saturday, March 11, 1933, was read and approved.

SWEARING IN OF MEMBERS

The SPEAKER. The Chair desires to inform the House that pursuant to the authority conferred upon him by House Resolution 34 and House Resolution 36 he did, on Saturday, March 11, 1933, administer the oath of office to the Honorable ANDREW J. MONTAGUE at Garfield Memorial Hospital and the Honorable WILBURN CARTWRIGHT at Walter Reed Hospital in the city of Washington, D.C.

Mr. VINSON of Georgia. Mr. Speaker, I submit a privileged resolution and ask for its immediate consideration.

The Clerk read the resolution, as follows:

House Resolution 37

Whereas CHARLES H. BRAND, a Representative from the State of Georgia, from the Tenth District thereof, has been unable from sickness to appear in person to be sworn as a Member of the House, and there being no contest or question as to his election: Therefore be it

Resolved, That the Speaker, or deputy named by him, be, and he is hereby, authorized to administer the oath of office to said CHARLES H. BRAND at Athens, Ga., and that the said oath, when administered as herein authorized, shall be accepted and received by the House as the oath of office of the said CHARLES H. BRAND.

The resolution was agreed to.

The SPEAKER. The Chair designates the Honorable Blanton Fortson, judge of the western judicial circuit, Athens, Ga., to administer the oath of office to the gentleman from Georgia [Mr. BRAND].

Mr. SNELL. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. SNELL. In what way does it change the status of a Member-elect to have the oath administered to him?

The SPEAKER. He then becomes a full-fledged Member of the House of Representatives, without question.

Mr. SNELL. Is he not enjoying all the rights and privileges even at the present time?

The SPEAKER. The Chair thinks he enjoys many of the privileges, but in order to become a Member he must take the oath prescribed by law.

Mr. SNELL. It bestows on him actual membership.

The SPEAKER. He then has actually become a Member.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Latta, one of his secretaries, who also informed the House that on the following date the President approved and signed a bill of the House of the following title:

On March 9, 1933:

H.R. 1491. An act to provide relief in the existing national emergency in banking, and for other purposes.

SWEARING IN OF MEMBERS

Mr. BLAND. Mr. Speaker, I present a resolution and ask for its immediate consideration.

The Clerk read the resolution, as follows:

House Resolution 38

Whereas ANDREW J. MONTAGUE, a Representative for the State of Virginia, has been unable from sickness to appear in person to be sworn as a Member of this House, but has sworn to and subscribed the oath of office before the Speaker, authorized by resolution of this House to administer the oath, and the said oath of office has been presented in his behalf to the House, and there being no contest or question as to his election: Therefore

Resolved, That the said oath be accepted and received by the House as the oath of office of the said ANDREW J. MONTAGUE as a Member of this House.

Mr. SNELL. Mr. Speaker, just to keep the record clear, what is the need of this resolution?

The SPEAKER. It accepts the report of the Speaker advising the House that he has administered the oath to this Member.

Mr. SNELL. Has this procedure ever been followed before?

The SPEAKER. It is always done in these cases.

The resolution was agreed to.

Mr. HASTINGS. Mr. Speaker, I submit a resolution and ask for its immediate consideration.

The Clerk read as follows:

House Resolution 39

Whereas WILBURN CARTWRIGHT, a Representative for the State of Oklahoma, has been unable from sickness to appear in person to be sworn as a Member of this House, but has sworn to and subscribed the oath of office before the Speaker, authorized by resolution of this House to administer the oath, and the said oath of office has been presented in his behalf to the House, and there being no contest or question as to his election: Therefore

Resolved, That the said oath be accepted and received by the House as the oath of office of the said WILBURN CARTWRIGHT as a Member of this House.

The resolution was agreed to.

Mr. BRITTEN. Mr. Speaker, I offer a privileged resolution and ask for its immediate consideration.

The Clerk read the resolution, as follows:

House Resolution 40

Whereas JOHN T. BUCKBEE, a Representative from the State of Illinois, from the Twelfth District thereof, has been unable from sickness to appear in person to be sworn as a Member of the House, and there being no contest or question as to his election: Therefore be it

Resolved, That the Speaker, or deputy named by him, be, and he is hereby, authorized to administer the oath of office to said JOHN T. BUCKBEE at Providence Hospital, Washington, D.C., and that the said oath, when administered as herein authorized, shall be accepted and received by the House as the oath of office of the said JOHN T. BUCKBEE.

The resolution was agreed to.

INCIDENTAL EXPENSES OF THE FIRST SESSION OF THE SEVENTY-THIRD CONGRESS

Mr. BUCHANAN. Mr. Speaker, I send to the Clerk's desk House Joint Resolution No. 75, to provide for certain expenses incident to the first session of the Seventy-third Congress, and ask unanimous consent for its immediate consideration.

The Clerk read the House joint resolution, as follows:

House Joint Resolution 75

Joint resolution to provide for certain expenses incident to the first session of the Seventy-third Congress

Resolved, etc., That the appropriations for mileage of Senators, Representatives, the Resident Commissioner from Puerto Rico, and the Delegate from Hawaii, and for expenses of the Delegate from Alaska and the Resident Commissioners from the Philippine Islands, contained in the Legislative Appropriation Act for the fiscal year 1934 are hereby made immediately available and authorized to be paid to Senators, Representatives, Delegates, and Resident Commissioners for attendance on the first session of the Seventy-third Congress.

The appropriation for stationery for Representatives, Delegates, and Resident Commissioners, and for the committees and officers of the House, contained in the Legislative Appropriation Act for the fiscal year 1934, is hereby made immediately available for expenditure on account of the first session of the Seventy-third Congress notwithstanding the provisions of section 304 of the act of June 30, 1932 (47 Stat. 408): *Provided*, That from such sum each Representative, Delegate, and Resident Commissioner shall be allowed \$90 for stationery allowance or commutation therefor.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

Mr. SNELL. Mr. Speaker, reserving the right to object, and I may say I do not intend to object, because the gentleman from Texas advised me of this resolution, I do think that we ought to stop bringing in resolutions at this time and not do anything more than is absolutely necessary until we can follow the regular procedure of having these matters referred to regular committees. I hope that the gentleman or the majority will not present any more of them, because I feel I should have to object. I am not going to object at this time if the gentleman says this is absolutely necessary for the regular organization of the House and for regular procedure and for convenience of Members and for this reason he presents the resolution at this time.

Mr. BUCHANAN. Of course, my colleague understands there has been no organization of the committees of the House and there are 164 new Members, some of them coming from a long distance, and some of them, according to my information, have had to borrow money to get here. The banks have been closed and it is hard to get money now and the Sergeant at Arms is being bombarded with requests for \$10 or \$15 or \$25 to pay running expenses. Therefore it is imperative that this resolution be passed.

Mr. SNELL. I appreciate the statement made by the gentleman from Texas, and I want to cooperate. However, I hope it will not be necessary to bring in any more emergency resolutions, but that we may complete the organization of the House so that all measures may be referred to committees in the proper, legal, and normal way.

Mr. BUCHANAN. The gentleman further understands that this is only making the money immediately available.

Mr. SNELL. I understand from the gentleman's statement that that is correct.

Mr. BLANTON. Mr. Speaker, did we understand that the gentleman from New York is objecting to this resolution?

Mr. SNELL. I said I would not object.

Mr. BLANTON. I reserve the right to object. I want to ask my colleague this question, so there will not be any misunderstanding in the country about it. It is understood, of course, that our new friends, the 164 new Members, who are coming in this new session for the first time, are doing just what we old Members have done, are accepting mileage

which has been reduced by 25 per cent and are accepting the stationery allowance that has been reduced 25 per cent.

Mr. BUCHANAN. That is correct.

Mr. BLANTON. Both their mileage and stationery allowance have been reduced 25 per cent, and there should not be any misapprehension in the country about the facts.

Mr. BUCHANAN. There should not be.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed.

On motion of Mr. BUCHANAN, a motion to reconsider the vote by which the bill was passed was laid on the table.

MESSAGE FROM THE PRESIDENT—AMENDMENT OF THE VOLSTEAD ACT (H.DOC. NO. 3)

The SPEAKER laid before the House the following message from the President of the United States, which was read and referred to the Committee on Ways and Means and ordered printed:

To the Congress:

I recommend to the Congress the passage of legislation for the immediate modification of the Volstead Act, in order to legalize the manufacture and sale of beer and other beverages of such alcoholic content as is permissible under the Constitution; and to provide through such manufacture and sale, by substantial taxes, a proper and much-needed revenue for the Government.

I deem action at this time to be of the highest importance.

FRANKLIN D. ROOSEVELT.

The White House, March 13, 1933.

Mr. O'CONNOR. Mr. Speaker, I ask unanimous consent to proceed for 5 minutes in reference to the message of the President just read.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. O'CONNOR. Mr. Speaker, on Thursday, the opening day of this Congress, I introduced three beer bills, which have been referred to the Committee on Ways and Means. They are H.R. 1696, H.R. 1697, and H.R. 1699.

Mr. SNELL. Which one are you for?

Mr. O'CONNOR. I am for the best that can be taken out of all of them.

My purpose in rising today is to express a hope that the Ways and Means Committee will give some consideration to the form of a beer bill before they bring it before the House. A great many Members of the House who have devoted many years to the consideration of the proper form of beer bill were not satisfied with the Collier bill, which we passed in the last session. Since then the Senate has had reported to it a bill known as the Blaine bill, which approaches the question from an entirely different standpoint.

There was another bill known as the O'Connor-Hull beer bill, which had somewhat different provisions in it than the Collier or Blaine bills.

These three methods have been introduced by me with some changes and referred to the Ways and Means Committee.

In the last session, when we discussed the Collier bill and passed it in this House, there was great haste to put it through. The advocates were anxious to pass a beer bill in any form, and to my mind and to the minds of a number of gentlemen who have given the question some study, it was unfortunate that we could not amend that bill in any way. We did have many constructive suggestions as to its improvement.

For instance, not to detain you, all these beer bills deal with a nonintoxicating beverage. It is declared to be nonintoxicating in fact, but in the Collier bill which passed the House it was required that the manufacturers of this nonintoxicating, harmless beverage should obtain from the National Prohibition Bureau the same kind of a permit which one must get to manufacture intoxicating liquor—whisky. This is inconsistency itself.

There were also imposed in the Collier bill the penalties for any violation of law in the making of this beer that were provided for a violation of the National Prohibition Act—another inconsistency.

The Senate, in the Blaine bill, prohibited the advertising of this nonintoxicating, harmless beverage. That bill also prohibited its sale or gift to minors.

I trust the Ways and Means Committee, as speedily as possible, will get together and consider the different features of these three bills and bring in a bill which is consistent, which meets the situation, which restores 3.2 per cent beer to the American people, and which carries out the pledge of the Democratic Party.

Mrs. KAHN. Will the gentleman yield?

Mr. O'CONNOR. I yield.

Mrs. KAHN. Is there any provision made for light wines?

Mr. O'CONNOR. In the Blaine bill, yes; to the extent of 3.2 per cent. There should be a provision in our bill, but in the hearings before the Ways and Means Committee it was thought impracticable to include wine in a beer bill. Three and two-tenths percent wine, I understand, is not very interesting. [Laughter.]

Mrs. KAHN. It may be we might be able to find a percentage that would make it interesting but not intoxicating. [Laughter and applause.]

Mr. O'CONNOR. I believe that could be done, but I believe wine should be legalized by a separate bill, permitting the manufacture and sale of naturally fermented vinous beverages.

In all my bills I provide for a tax of \$6 per barrel, the present tax, instead of the \$5 tax carried in the Collier and Blaine bills.

In two of my bills—not the Blaine bill—I insert the legislative declaration that such beverages are not intoxicating in fact.

In all the bills I have stricken out provisions that state that permits to manufacture beer must be obtained from the National Prohibition Bureau, it being my contention that if 3.2 percent beer is nonintoxicating in fact, it should not be classed with intoxicating liquors.

Licenses should be issued as in the days before prohibition, through the Office of the Commissioner of Internal Revenue.

I have also amended the provisions of the Collier bill, whereby persons brewing beer in their own home for their own consumption will not be compelled to take out a brewer's license and pay \$1,000 per year.

H.R. 1697, introduced by me and similar to the Blaine bill, instead of using the percentage of 3.05, uses the percentage of 3.2, which was contained in the House bill. The Senate bill deals with the question of legalizing beer in a different method from the House bill. The House bill directly legalizes beer containing not more than 3.2 percent of alcohol by weight, on the theory that such beer is not intoxicating in fact, while the Senate bill adopts what is known as the "withdrawal" method. This method of handling the question has been discussed for many years and simply amends the National Prohibition Act by having no provisions for enforcement against beer and similar beverages. I have not included the provisions of the Senate bill making advertisement of such beverages unlawful or making the gift or sale to minors unlawful, because I contend that if such beverages are in fact not intoxicating such provisions are absolutely inconsistent with other provisions of the bill.

Mr. BLANTON. Mr. Speaker, I did not object to the gentleman from New York having 5 minutes. I think that was all right. I should like to ask for 5 minutes to address the House.

The SPEAKER. The gentleman from Texas asks unanimous consent to address the House for 5 minutes. Is there objection?

There was no objection.

Mr. BLANTON. Mr. Speaker, I must confess that, though it has been stretched considerably by an untimely beer message in this crucial hour, my confidence in the President of the United States is still unshaken.

We must look the facts squarely in the face. The President has not requested Congress to take up for immediate consideration a bill to legalize beer of 3.2 or 3.05 per cent alcoholic content by weight, or of any other alcoholic content that is intoxicating. He recommends only beer of such alcoholic content as is permissible under the Constitution. Did you get that? It must be permissible under the Constitution of the United States. He has sent us no message dealing with beer that is intoxicating. He in no way refers to the old-time pre-war beer that all of us know did intoxicate. It was 3.2 alcohol by weight, which is beer of 4 per cent alcoholic content by volume. So, you colleagues of mine who are thirsting for real beer, and who are thinking of giving your thirsty constituents in New York, Philadelphia, Chicago, and St. Louis real beer, have another guess coming.

It is said that our friend from New York [Mr. O'CONNOR] expects to pass a bill here tomorrow providing real beer, but having the bill recite, parrotlike, that it is not intoxicating. Would not that be funny? It would not be funny to the Supreme Court of the United States. They are under no promise to any thirsty constituents. They are under no beer platform. The only pledge they are under is a solemn oath that they will uphold and defend the Constitution of the United States. They have sworn that they will not permit it to be set aside. They have sworn that they will not permit it to be evaded. They have sworn that they will not permit it to be ignored. They are guided by sacred traditions as old as our Republic itself. Do not you lawyers in this House know what those nine black-robed justices will do with a bill that provides real, old-time, pre-war, intoxicating beer, yet declares it to be nonintoxicating? Do you imagine that they would permit such an evasion? Do you imagine that they would permit such a farcical comedy?

Whenever our Supreme Court comes to pass upon this real beer act that, well greased, is to go through this House tomorrow, I want them to have clearly before them the words of our President, which a few minutes ago came to us fresh from the White House on this 13th, jinx, day of March, which I quote:

I recommend to the Congress the passage of legislation for the immediate modification of the Volstead Act, in order to legalize the manufacture and sale of beer and other beverages of such alcoholic content as is permissible under the Constitution.

To respond to the President's recommendation, the beer must not be intoxicating in fact. If it is, it is beer that the President did not recommend. It must be nonintoxicating beer. It must not be the kind that leaves men drunk and down in the back end of beer gardens. It must not be the kind that would stimulate the drink habit in boys and girls. It must not be the kind that requires back rooms in beer joints to house away the unfortunates who stayed for just a few more too many. It must not be the kind that makes hit-and-run drivers after aged men, decrepit women, and innocent little children are murdered on fast highways by uncontrolled automobiles. It must be the nice, soft, timid, shrinking, milky, unintoxicating kind permitted by the Constitution.

I am wondering whether our 164 new Members of this House imagine for one moment that beer brought them to this Congress. If it did, then why did it at the same time leave former United States Senator Blaine and our fighting wet Congressman John Schafer at home in Wisconsin? If beer brought you here, why did it leave in Connecticut a wet Senator Bingham? Why did it leave at home in Illinois a former distiller, our good friend William E. Hull, who fought liquor's battles here daily on this floor? Why did it leave Clancy in Michigan, and Horr in Washington, and Chindblom in Chicago, and Dyer in Missouri, and Igoe in Illinois, and Stafford in Milwaukee? If beer brought you new colleagues here, just why did it deny the White House to that popular democratic Democrat, Al Smith, who in 1928 was defeated by the same vote by which Franklin D. Roosevelt was elected, and in that campaign Al Smith stood for real beer and hard liquors, while Hoover stood then for the eight-

eenth amendment and against saloons? Cannot you see that it was "a new deal" and unbearable economic conditions that swept you with the President into control of this Nation?

Now, let us see whether or not beer of 3.2 alcoholic content by weight, as proposed by our friend Mr. O'CONNOR and others here, is in fact intoxicating? I wonder if you 164 new colleagues know well Heartsill Ragon and Morgan G. Sanders and Jere Cooper and W. C. Hawley and Charles B. Timberlake and Dr. Frank Crowther, all honored, highly respected, experienced members of our Ways and Means Committee in the last Congress? Only two are not here now—Hawley and Timberlake. Willis Chatman Hawley is 68 years old; has been a practitioner before the Supreme Court of the United States for many years; was a Member of this Congress for 26 consecutive years and for many years was chairman of the Ways and Means Committee. Charles Bateman Timberlake is a Knight Templar, Shriner, and knight commander of the court of honor in Scottish Rite Masonry, and was a Member of Congress for 18 consecutive years. Look in your new Congressional Directory for the standing of RAGON, SANDERS, COOPER, and DOCTOR CROWTHER, who are still members of the Ways and Means Committee of this House at this time. Please ponder over what these outstanding statesmen said about this 3.2 alcoholic beer.

After stating that they had heard and read all of the testimony before the Ways and Means Committee relating to this proposed 3.2 beer, they stated—

that same is violative of the Constitution of the United States.

I quote the following from some of their findings:

As Members of Congress we took the following oath:

"I do solemnly swear that I will support and defend the Constitution of the United States against all enemies, foreign and domestic; that I will bear true faith and allegiance to the same; that I will take this obligation freely, without any mental reservation or purpose of evasion, and that I will well and faithfully discharge the duties of the office on which I am about to enter. So help me God."

Therefore we cannot under our oath support this legislation.

We further submit that the proposed bill is not only in violation of the Constitution of the United States but of the Democratic platform, which calls for the "sale of beer and other beverages of such alcoholic content as is permissible under the Constitution." The above quotation from the platform shows that it was not the intent of those framing the platform to declare for legislation which would be violative of the Constitution.

The very clear and definite proof before the Ways and Means Committee during the extended hearings on this bill shows conclusively that beer of alcoholic content of 3.2, which means beer of 4 percent alcohol by volume, is intoxicating in fact and is the same type of beer which was generally produced and sold prior to the Volstead Act. The sale of such beer, because of its alcoholic content, is not permissible under the Constitution.

HEARTSILL RAGON.
MORGAN G. SANDERS.
JERE COOPER.

Now, the above are three prominent, outstanding Democrats of the Ways and Means Committee. Here is what the outstanding Republicans said about it:

MINORITY VIEWS OF MESSRS. HAWLEY, TIMBERLAKE, AND CROWTHER

At the beginning of this session of Congress, in company with all my colleagues, I stood on the floor of the House and took the oath to support the Constitution of the United States, as required by Article VI of the Constitution. I quote from that oath:

"I do solemnly swear that I will support and defend the Constitution of the United States . . . bear true faith and allegiance to the same . . . without any mental reservation or purpose of evasion."

Article 18 of the amendments provides that—

"The manufacture, sale, or transportation of intoxicating liquors within, the importation thereof into, or the exportation thereof from the United States and all Territories subject to the jurisdiction thereof for beverage purposes is hereby prohibited."

I listened with careful attention to the evidence submitted to the committee during the hearings preceding the report of the pending bill (H.R. 13742). My observation covers a period prior to prohibition as well as under prohibition. I am convinced by the evidence submitted at the hearings and by observation and evidence extending over a period of a lifetime that beer and other liquors described in the bill are intoxicating. They were intoxicating prior to prohibition. A legislative declaration to the contrary does not overcome that fact; and if I were to support this legislation, it would require a "mental reservation" on my part

and a "purpose of evasion" of the eighteenth article of amendment to the Constitution.

I do not believe the Government should obtain revenues through the violation of the Constitution and by legalization of beverages which produce intoxication. Beer was intoxicating before prohibition. Its constituent elements remain the same and will undoubtedly produce intoxication again. I believe the Budget should be balanced, but that legitimate sources of revenue legal under the Constitution should furnish the necessary amount.

From the above, as well as from many other factors I shall not take occasion to name, it appears that we are facing a wide-open situation in the matter of the dispensation of malt liquors. Some things were said during the hearings by the brewing interests concerning the protection of the dry States from the entrance of intoxicants within their borders from wet States. With our motor system of transportation, with tens of thousands of automobiles moving continually back and forth, with trucks on the highways carrying freight brought from many sources and distributed to many destinations, with increased traffic in the air, I came to the conclusion that a dry State surrounded by wet States or adjacent to one or more wet States would find itself subject to an impossible task in maintaining its dry status.

My feeling, after listening to many discussions and the recent hearings, is that the liquor interests are planning by this measure to secure again the existence of 90 percent by volume of the liquor traffic, the repeal of the eighteenth amendment, and the return again of the sale of all intoxicating liquors with attendant and acknowledged evils. It seems to me that if we adopt the policy contained in this bill the return of the saloon is inevitable.

W. C. HAWLEY.

We concur in the above statement.

CHAS. B. TIMBERLAKE.
FRANK CROWTHER.

Mr. BLANTON. Mr. Speaker, are we attempting to fool our own hearts and consciences in passing a bill legalizing intoxicating beer and at the same time declaring it to be nonintoxicating? Is that not side-stepping? Is that not evasion? If it were beer that would satisfy the thirst of those who want it, it would be intoxicating and against the Constitution; and if it were not intoxicating beer, it would be unwanted and absolutely worthless.

Mr. PATMAN. Will the gentleman yield?

Mr. BLANTON. I yield.

Mr. PATMAN. The gentleman said on Saturday last that he would support the President in everything. I should like to ask him, if the President executes his pledge in this respect, if he will go along with him.

Mr. BLANTON. I am going to vote against 3.2 beer and against any beer bill legalizing beer with an intoxicating alcohol content, because that would be against the President's message. The President recommends beer only that is permissible under the Constitution, and the Constitution does not permit any beer that will intoxicate.

The Washington Star, which is one of the best daily newspapers in the United States, on December 18, 1932, two days before the beer bill was called up in the House, had this to say about it:

Both parties are pledged to fight the return of the saloon. Why does this bill make no mention of the beer saloon, or seek to control retail sale of beer? It is, presumably, because of the obvious inconsistency that would lie in calling a beverage nonintoxicating, and then seeking to regulate its retail sale because of its intoxicating qualities. But if the States seek to control its retail sale, they will thereby immediately recognize it as intoxicating; and if it is intoxicating, it is contrary both to the letter and the spirit of the eighteenth amendment.

This beer bill permits the return of the beer saloon. People will get drunk in those saloons on 4-percent beer. That is the truth, and it cannot be dodged.

Just why do you suppose that the United States Senate allowed that beer bill to die March 4, 1933, with the Seventy-second Congress? It was passed by the House and sent to the Senate on December 21, 1932. The Senate had over 2 months in which to pass it. Yet it killed it by letting it die unpassed.

The Senate knew that about the findings and conclusion its own investigating committee printed in the CONGRESSIONAL RECORD for June 16, 1919, before the eighteenth amendment went into effect, from which Senate findings I quote:

The subcommittee began its investigation on September 27, 1918. At the request of the subcommittee the Secretary of War very kindly detailed from the Judge Advocate General's Department, United States Army, to aid the committee, Maj. E. Lowry

Humes, formerly United States district attorney for the western district of Pennsylvania, and from the Military Intelligence Division, United States Army, Capt. George B. Lester, an attorney of New York, and also the Attorney General very kindly detailed from the Department of Justice, Mr. William R. Benham, all of whom rendered most valuable assistance to the committee in the collection of evidence, the production of testimony, the examination of witnesses, and in the preparation of reports.

With regard to the conduct and activities of the brewing and liquor interests, the committee is of the opinion that the record clearly establishes the following facts:

(a) That they have furnished large sums of money for the purpose of secretly controlling newspapers and periodicals.

(b) That they have undertaken to and have frequently succeeded in controlling primaries, elections, and political organizations.

(c) That they have contributed enormous sums of money to political campaigns in violation of the Federal statutes and the statutes of several of the States.

(d) That they have exacted pledges from candidates for public office prior to the election.

(e) That for the purpose of influencing public opinion they have attempted and partly succeeded in subsidizing the public press.

(f) That to suppress and coerce persons hostile to and to compel support for them they have resorted to an extensive system of boycotting unfriendly American manufacturing and mercantile concerns.

(g) That they have created their own political organization in many States and in smaller political units for the purpose of carrying into effect their own political will, and have financed the same with large contributions and assessments.

(h) That with a view of using it for their own political purposes they contributed large sums of money to the German-American Alliance, many of the membership of which were disloyal and unpatriotic.

(i) That they organized clubs, leagues, and corporations of various kinds for the purpose of secretly carrying on their political activities without having their interest known to the public.

(j) That they improperly treated the funds expended for political purposes as a proper expenditure of their business, and consequently failed to return the same for taxation under the revenue laws of the United States.

(k) That they undertook, through a cunningly conceived plan of advertising and subsidization, to control and dominate the foreign-language press of the United States.

(l) That they have subsidized authors of recognized standing in literary circles to write articles of their selection for many standard periodicals.

(m) That for many years a working agreement existed between the brewing and distilling interests of the country, by the terms of which the brewing interests contributed two thirds and the distributing interests one third of the political expenditures made by the joint interests.

At an expense of almost a million dollars to the people of the United States, President Hoover appointed his famous Wickersham Commission and had it sit all over the United States and finally to make a voluminous report. Most of the members he appointed were fundamental wets. There were 11 members on that Commission. Ten out of the eleven members agreed upon certain conclusions, the first four of which I want to quote over their signatures from their printed report:

1. The Commission is opposed to repeal of the eighteenth amendment.

2. The Commission is opposed to the restoration in any manner of the legalized saloon.

3. The Commission is opposed to the Federal or State Governments as such going into the liquor business.

4. The Commission is opposed to the proposal to modify the National Prohibition Act so as to permit manufacture and sale of light wines or beer.

George W. Wickersham, chairman; Henry W. Anderson; Newton D. Baker; Ada L. Comstock; William I. Grubb; William S. Kenyon; Frank J. Loesch; Paul J. McCormick; Kenneth Mackintosh; Roscoe Pound.

The only member of the Wickersham Commission who refused to sign the above conclusions was Mr. Monte M. Lemann, of New Orleans, a lifelong wet. He, even, was against nullification, for from his separate signed report I quote him as follows:

I do not favor the theory of nullification; and so long as the eighteenth amendment is not repealed by constitutional methods, it seems to me to be the duty of Congress to make reasonable efforts to enforce it.

Then he said further, concerning light wines and beer:

I do not think that any improvement in enforcement of the eighteenth amendment would result from an amendment of the National Prohibition Act so as to permit the manufacture of so-called light wines and beer.

Now, gentlemen, listen; he said this, further:

If the liquor so manufactured were not intoxicating, it would not satisfy the taste of the great majority of those who are now drinking intoxicating liquors; and if it were intoxicating, it could not be permitted without violation of the Constitution.

I am one of those Members of Congress who is not in favor of this principle of nullifying our Constitution, because I know that the beer which is sought to be manufactured is to be intoxicating. If it were not intoxicating, it would not be drunk.

Now, in a separate report filed by Hon. Frank J. Loesch, of Chicago, he said:

It would be unwise to repeal the eighteenth amendment. Such repeal would cause the instant return of the open saloon in all States not having State-wide prohibition.

Furthermore, Chief Justice Kenneth Mackintosh, of the Supreme Court of Washington, also a member of the Wickersham Commission, said:

Civilization will not allow this Nation to end the long attempt to control the use of alcoholic beverages.

Federal Judge Paul J. McCormick, in his separate report on this Wickersham Commission, said:

Absolute repeal is unwise. It would, in my opinion, reopen the saloon. This would be a backward step that I hope will never be taken by the United States. The open saloon is the greatest enemy of temperance and has been a chief cause of much political corruption throughout the country in the past. These conditions should never be revived.

He said further:

The States favoring prohibition should be protected against wet Commonwealths. This right would be defeated by remitting the entire subject of liquor control and regulation to the several States exclusively.

What did Dean Roscoe Pound, of the Harvard Law School, say about the matter? He was a member of the Commission. He said:

Federal control of what had become a Nation-wide traffic and abolition of the saloon are great steps forward, which should be maintained.

Federal Judge William I. Grubb, who was a member of the Commission, said:

Prohibition is conceded to have produced two great benefits, the abolition of the open saloon and the eliminating of the liquor influence from politics. Remission to the States would assure the return of the open saloon at least in some of the States and the return of the liquor interests to the politics of all of them.

Now, Ada L. Comstock, the president of Radcliffe College, in her report—she could not even say one word for temperance, but she said this:

I favor revision of the amendment rather than its repeal.

Henry W. Anderson, of Virginia, a member of the Wickersham Commission said:

We must not lose what has been gained by the abolition of the saloon.

In summing up his own separate conclusions, Hon. George W. Wickersham, Chairman of the Wickersham Commission, said:

The older generation very largely has forgotten, and the younger never knew, the evils of the saloon and the corroding influence upon politics, both local and national, of the organized liquor interests. But the tradition of that rottenness still lingers even in the minds of the bitterest opponents of the prohibition law, substantially all of whom assert that the licensed saloon must never again be restored.

Then he added—

It is because I see no escape from its return in any of the practicable alternatives to prohibition that I unite with my colleagues in agreement that the eighteenth amendment must not be repealed.

And, Mr. Speaker, we must not forget that the fundamentally wet Monte M. Lemann, of New Orleans, was frank and honest enough to state:

That if the beer to be manufactured were not intoxicating, it would not satisfy the taste of the great majority of those who are now drinking intoxicating liquors; and if it were intoxicating, it could not be permitted without violation of the Constitution.

When you had the medicinal-liquor bill before the House the other day to take the limit off prescriptions that doctors could prescribe over the country for \$3 a prescription and \$4 a pint to be charged by the druggist, I called on two prominent physicians on the floor, then Members of this House, to get up here as Representatives under their oath, and they stated that in their practice they had stopped prescribing intoxicating liquor, that they thought it was not longer necessary. I am behind the President in his sane economic program for national restoration. He does not ask me to vote for a bill that would be unconstitutional, and I yet have such an abiding confidence in him that I do not believe he would send us an improper request. [Applause.]

Mr. CELLER. Mr. Speaker, I ask unanimous consent to proceed for 5 minutes.

The SPEAKER. Is there objection?

There was no objection.

Mr. CELLER. Mr. Speaker and Members of the House, I heard with interest what the gentleman from Texas stated. He is enthusiastically misguided on the subject of prohibition. He stated that, although we passed the medicinal-liquor bill recently, the Senate saw fit to bar its passage. That is not true. This House, in its wisdom, sought to take some of the burdensome restrictions from doctors in the practice of their profession. The Senate Judiciary Committee, in its wisdom, approved of the bill and urged its passage. However, there was one anachronism in the Senate—and I say anachronism advisedly, because any dry is an anachronism now—who set himself against the whole Senate, and during the dying hours of the Senate, when the bill was called up, filibustered against it, knowing that he was successfully playing against time. The gentleman from the State of Iowa, Mr. Brookhart, who is no longer a Senator of the United States, was the man who was willing to place against the honored medical profession a bar sinister by saying to the doctors and the physicians, "Although you may be allowed to prescribe without let or hindrance any amount of narcotics, morphine, cocaine, heroin, and the like, yet because of the fanaticism of the drys—and I am one of them—you members of this honored profession shall not be allowed to prescribe more than a pint of whisky every 10 days to a patient, or the equivalent of wine during that period." He was so unreasonable and unreasoning as to set his judgment against that of over 150,000 physicians—the American Medical Association. The Senate wanted the bill, but he alone did not. We shall no longer be bothered with his arbitrary objections and filibusters.

Mr. Speaker, the doctors have been complaining bitterly of these restrictions, and they must be relieved of them. The Wickersham Commission asked this Congress to give the medical profession that relief. Former President Hoover recommended it. This House has recommended it, and I am certain that Franklin D. Roosevelt in his wisdom will likewise recommend it, and I shall see him within the next 48 hours for that purpose.

Mr. BLANTON. Mr. Speaker, will the gentleman yield?

Mr. CELLER. Yes.

Mr. BLANTON. My friend passed his bill on February 24, 1933. The Senate did not pass it, but it died on March 4, with the Seventy-second Congress. When the gentleman had that bill up, he asserted, did he not, that Attorney General Mitchell had approved it?

Mr. CELLER. I asserted no such thing, and the gentleman, as usual, is mistaken on this matter as he is on all matters pertaining to prohibition.

Mr. BLANTON. Did not the gentleman say—

Mr. CELLER. Mr. Speaker, I refuse to yield. I said I made no such statement.

Mr. BLANTON. It was asserted here on the floor that it was approved by "the Department of Justice." I quote from page 4942 of that day's RECORD:

Mr. MOORE of Ohio. Does the gentleman know whether this bill in its present form has been approved by either the Department of Justice or the Treasury Department?

Mr. CELLER. Yes, indeed. The bill in its present form was approved by both these Departments.

I naturally assumed that meant the Attorney General, who is the head of the Department of Justice.

Mr. CELLER. I said this, and I repeat it, that Dr. Doran, head of the prohibition unit of the Treasury Department, and Col. Amos W. Woodcock, head of the Prohibition Enforcement Bureau of the Department of Justice under former Attorney General Mitchell, also approved this bill.

Mr. BLANTON. But Attorney General Mitchell did not do it.

Mr. CELLER. And the gentleman from Texas, if he seeks to make those erroneous statements, is welcome to do so, but they are erroneous beyond question. I am sure beyond peradventure of doubt, if the gentleman or I were to ask former Attorney General Mitchell whether he would approve it, he would answer in the affirmative, because he is a liberal man.

Mr. BLANTON. Why, he had never seen the bill. And I happen to know positively that he had not approved it when it was passed here in the House.

Mr. CELLER. And anyone who is opposed to this bill must assume the risk of being branded "illiberal." I assure the gentlemen of this House that this bill will soon be presented to it, and I am confident of its passage by this House by a great and preponderating majority, and I assure you that the Senate will likewise pass this bill beyond question. I shall do all in my power to get the Committee on the Judiciary, of which I am a member, to bring it to this House as soon as possible.

APPOINTMENT OF COMMITTEES

Mr. SNELL. Mr. Speaker, will the majority leader inform the House whether it is the policy of the majority to set up all of the standing committees at this time?

Mr. BYRNS. Mr. Speaker, I understand that that will be done, but it is not expected that they will all function.

Mr. SNELL. But it is intended to elect them all?

Mr. BYRNS. I understand that the Ways and Means Committee, so far as the Democratic members of it are concerned, are prepared to fill all of the places, and they will be proposed in a caucus at 4 o'clock this evening in this Hall. We will name all of the committees. As I say, it is not expected that they will all function at this special session.

Mr. SNELL. We did not get the division to be elected on each committee until Saturday afternoon, but we will try to be ready by tomorrow to name the minority members of the committee.

Mr. COCHRAN of Missouri. And will the gentleman be good enough to give special attention to the Committee on Ways and Means, so that we can get this beer bill passed? It means that 30,000 people will immediately go to work in my city.

Mr. SNELL. We shall try to accommodate the gentleman.

THE BANKING SITUATION

Mr. CANNON of Missouri. Mr. Speaker, I ask unanimous consent to proceed for 5 minutes.

The SPEAKER. Is there objection?

There was no objection.

Mr. CANNON of Missouri. Mr. Speaker, if I may change the subject under discussion for just a few minutes, I should like to talk about banks instead of beer. Banks are more important than beer at any time, and especially just at this critical period when we are passing through the crucial hours of the greatest economic disaster in the history of the world. In these brief hours we are enacting under whip and spur legislation of such far-reaching importance that no man dares to predict its ultimate effect. We are dealing with the central nervous system of the body politic. We are operating on the brain—we are operating on the banks of the country. And unless some amendment of the pending bill is made in conference or some supplementary legislation is enacted, we are here passing a sentence of death on the country bank. [Applause.]

Until the drastic deflation of agriculture began, the country bank was among the most prosperous of the country's

financial institutions. The percentage of failures prior to the war was negligible. But when the bankruptcy of the farm began to carry them down, the city banks sat back complacently and said it was a favorable development. They sagely informed us that there were too many banks and the elimination of a large part of them was highly desirable. But when the conflagration inevitably extended to the metropolitan banks, instead of taking the medicine they had so freely prescribed for the rural bank they rushed to the Governor and pulled down this devastating moratorium on every bank in the State to save a few rotten banks in the cities.

And now that legislation is being formulated to save the national banking situation, which they precipitated, they are here ready to write the bill and leave the small country bank outside the pale to be sacrificed as soon as they are opened.

The few country banks remaining when the moratorium was declared were practically all in sound condition. They had passed through their Gethsemane. The weak banks and the incompetent bankers had been weeded out, and only the strong and efficient banks remained. The country banking situation had been largely stabilized. They were making gains, and all they asked or expected was to be let alone. But the State and national moratoriums have terrified the rural depositor, just as his faith in his home bank was being rehabilitated. The average rural depositor does not stop to reason the matter. He is not in a position to analyze the causes. All that he can understand is that there is a notice on the door of the bank in which he has deposited his life's savings notifying him that the bank has been closed by the Government. As a result of that notice men and women in every community in the Nation are today vowing that they will never again put another dollar in a bank. And they propose to demand every dollar they have on deposit as soon as it is available. The proposed panacea now before the Congress makes no effort to meet this critical situation. On the contrary, the Government is industriously aggravating the difficulty. It not only refuses to guarantee the deposits of the banks in any form, but it is sending out tons of literature advertising its postal-savings facilities. Just across the street from the bank is the post office notifying the public that the Government guarantees every dollar deposited. I have here a circular reciting that—

The faith of the United States Government is solemnly pledged to the payment of the deposits made in postal-savings depository offices.

In the present excited and inflamed condition of the public mind, where will the depositor leave his money—in the bank, without authoritative assurance of repayment, or in the post office, backed by the "solemn pledge" of the United States Government? The public is answering that question in no uncertain terms at the moment we sit here. They have on deposit in the post offices of the Nation today more than a billion dollars which otherwise would be on deposit in their local banks. The postal-savings deposits now amount to more than 5 percent of the total savings deposits of all the privately owned banks of the United States, and within the last few days this vast flow of money from the banks to the post offices has swollen to a devastating avalanche. It is siphoning from the localities in which it was earned—and in which it should remain to provide credits for local business and local enterprise, the surplus funds of the community—and the transferring them to the great financial centers of the Nation.

Of course, the Postal Savings System has its departmental champions who insist that injury to local banks is precluded by the statutory limitation to \$2,500 of the accounts accepted in the name of any one person. But it is a matter of common knowledge that the substitution of the name of any member of a family, sometimes including father, mother, and a number of children, render this restriction wholly ineffectual. And there are instances within the knowledge of all in which individuals have accounts in neighboring offices as well as their own. And, in addition to these subterfuges, the option of converting deposits into Postal Savings bonds without restriction as to amounts and

with the guaranty that the Government will refund them at any time after date of issuance at par with accrued interest speaks for itself.

Likewise the argument that the money in postal-savings funds may be deposited in the local bank and thus kept in the community is a mere talking point. Experience demonstrates that the requirement that such bank purchase and deposit with the Treasurer at Washington Government bonds to secure such deposits leaves the bank no profit and in effect affords the community no more advantage than if the funds were locked in the vaults of the Treasury at Washington. The failure of this provision of the law is shown by the fact that the banks which have been misled into accepting these deposits are returning them to the Treasury at the rate of millions per day, and more would return them if they could liquidate the bonds they have pledged to secure the deposits without a heavy loss.

The SPEAKER. The time of the gentleman from Missouri has expired.

Mr. CANNON of Missouri. Mr. Speaker, I ask unanimous consent to proceed for 5 additional minutes.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. CANNON of Missouri. Now, no one objects to the Postal Savings System as such. But when by unfair competition and unfair guaranties which are denied the local bank they begin to reduce the reservoirs of local credit to the point where the home bank cannot exist they become a national menace; and they have practically reached that point now. The billion dollars which they hold today, multiplied by 10, the usual formula for measuring the purchasing power of local deposits, means 10 billions of buying power taken out of the communities in which it is owned, in which it was earned, and which are justly entitled to its use to promote home enterprise. The smaller the community the heavier the withdrawals and the greater the damage. The report of the Postmaster General for the year ending June 30, 1932, shows that this vast sum is drawn principally from rural sections. The official statistics demonstrate that it is the cities and towns with populations of from 2,000 to 15,000 and 20,000 that are the greatest sufferers from this deadly competition by the Federal Government; and it is growing at such a rapid rate that immediate action is necessary if the country banks are to be saved.

And let me say just a word for the country bank. The majority of them have assets of only a few hundred thousand dollars. Their cashiers seldom receive salaries in excess of \$150 a month. But they know intimately every customer in their trade territory. Tradesmen and farmers who would have no credit under standard banking conditions and would not be entitled to borrow a dollar anywhere else may apply to them and secure funds to finance crops or business, because the cashier knows them to be men of integrity, skilled in their professions, and worthy of confidence. It is the country bank which in this way has served agriculture and developed the rural resources of the Nation from pioneer days until now.

And the country bank is the last source of credit open to such patrons. They cannot take their mules and their plows and apply to the Postal Savings Department or to the metropolitan banks. The land banks no longer serve them, protestations to the contrary notwithstanding. The insurance companies have long since ceased making rural loans. There is no place to which they can apply for a dollar but to the country bank. And when you have driven it to the wall by refusing to guarantee its deposits, while you are guaranteeing the deposits in the post office next door, you eliminate the last source from which the local patron can secure funds to finance the peak seasons of his business. You talk about the menace of the chain bank. Here you have it in its flower, a giant chain bank with 7,000 branches backed by every dollar in the United States Treasury.

Mr. MAY. Will the gentleman yield?

Mr. CANNON of Missouri. I yield to the gentleman.

Mr. MAY. Does the gentleman from Missouri understand they are now discussing the question of putting the Post Office Department into the business of banking by authorizing them to receive deposits and pay checks through the Postal Savings banks?

Mr. CANNON of Missouri. The gentleman is correct. They now propose to go still farther and authorize the post offices to engage in what practically amounts to a general banking business.

What chance has the little country bank against such hydraheaded competition in a crisis like this, with terror-stricken depositors waiting for the doors to open to transfer their funds to the protection of the Government? Unless bank deposits are guaranteed one of two alternatives awaits them when the moratorium is lifted. Either they will go down at once in a frenzied run or they will perish by slow attrition within 6 to 9 months at most. They cannot hope to survive in the face of the universal demand of the country depositor for the safety of his already pitifully meager bank balance.

Future deposits could be guaranteed under strict supervision at practically no loss to the Government. The selective process by which the banks have been culled in the last few years has been severe. Only the strong banks and the efficient bankers have survived. In my State only 1 out of 3 remains. Most of these have a monopoly of their respective fields, and the grilling experience to which they have been subjected has left them wise beyond their times. Furthermore, in every community there are untold sums of hoarded currency in hiding.

The rapid decline in the time deposits of the average bank in recent years, and especially in the last few months, gives some faint indication of the extent to which funds have been withdrawn and sequestered. Currency has flowed in a steady stream across the counters of the cashiers never to return. The saturation point has never been reached. The instant the Government agrees to do for the banks what it is doing for the Postal Savings System, this money will start back. It will again fill the bank vaults from which it has been drawn. And only a Government guaranty of deposits can put it there.

Seldom have we had so much at stake. The future of American agriculture hangs in the balance. To save the farmer you must save his bank. The Government cannot finance his seasonal operations. That must be handled by local men familiar with local conditions and in personal touch with the borrower himself. The Government must guarantee rural bank deposits. There is no alternative. It is an orderly financing of farm operations by small intimate banks or it is general farm bankruptcy and all its attendant evils with a certainty of chaos and the possibility of revolution itself.

It is to be hoped that Members of the House who are interested in preserving the local bank will make known, in quarters where it will do the most good, their position on this vital question. [Applause.]

The SPEAKER. The time of the gentleman from Missouri has again expired.

PERMISSION TO ADDRESS THE HOUSE

Mr. BOYLAN. Mr. Speaker, I ask unanimous consent to address the House for 5 minutes.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. BOYLAN. Mr. Speaker, for many years it was the usual custom for political parties to assemble in convention and adopt platforms, and almost immediately after they adopted the platforms they forgot all about them; but a new day has dawned, a new era is upon us, for we believe and our President believes that platform pledges should be kept. [Applause.]

The Democratic platform as adopted in the city of Chicago in July last declared that a platform was a sacred covenant with the people and should be kept. Farther on it stated, "We favor the immediate amendment of the Vol-

stead Act"—not in the dim and distant future, but the immediate amendment of the Volstead Act—and our heroic President this morning, although beset by many cares, trials, and difficulties, had in his mind the solemn promise made by the Democracy assembled in the city of Chicago that we should amend the Volstead Act. This morning we have from the President this message:

I recommend to the Congress the passage of legislation for the immediate modification of the Volstead Act.

Not at some future time, but the immediate modification of the Volstead Act in order to legalize the manufacture and sale of beer and other beverages of such alcoholic content as is permissible under the Constitution, and to provide through such manufacture and sale by substantial taxes a proper and much-needed revenue to the Government.

Nobody here can deny that we need the revenue. This is another step in the President's program, and I hope that the committee in charge will report to this House not later than tomorrow a bill carrying out the splendid recommendations made by the President in his message this morning. We are here prepared and we are ready to vote for this bill in order, as the President says, that we will be able to get some much-needed revenue for the support of this Government. [Applause.]

Mr. BLANTON. Mr. Speaker, will the gentleman yield?

Mr. BOYLAN. I yield.

Mr. BLANTON. Is it the revenue the gentleman wants, or the beer?

Mr. BOYLAN. I may say to the gentleman in all honesty and all sincerity that I want both. [Applause.]

Mr. BLANTON. If this same revenue were put on Coca-Cola instead of beer would the gentleman be as much interested for its "immediate" consideration?

Mr. BOYLAN. I may say this, that my taste perhaps is plebeian. It has never been educated to Coca-Cola. [Laughter.]

Mr. BLANTON. The gentleman from New York speaks of platform pledges. I know the gentleman well enough to know that he would have the utmost contempt for any Representative who would violate his pledge to his constituents. Is not this so?

Mr. BOYLAN. Why, the gentleman from Texas is bound by the platform adopted in Chicago just as I am.

Mr. BLANTON. And if the State delegates of the gentleman's party from the State of New York had gone to Chicago and in violation of their instructions had voted against repeal, and against beer, the gentleman would not have any confidence in them, would he? The reverse of that is what my State delegates from Texas did; they violated their State instructions at Chicago.

Mr. BOYLAN. When the delegates to the national convention meet and the platform is decided on, I hold that that is a sacred pledge that all of us must follow, you from Texas as well as we from New York. [Applause.] I do not hold that I am above the platform.

[Here the gavel fell.]

Mr. SIROVICH. Mr. Speaker, I ask unanimous consent that the gentleman be allowed to proceed for 5 additional minutes.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. BLANTON. Mr. Speaker, will the gentleman yield?

Mr. BOYLAN. The gentleman must wait until I answer his last question. I hold that no man is above his party platform. I hold that a platform adopted by some little congressional district in any part of this country is subordinate and secondary to the platform adopted by the national party convention. [Applause.]

Mr. BLANTON. Will the gentleman now yield?

Mr. BOYLAN. Yes.

Mr. BLANTON. Is all this beer furor here today a corollary to the Sirovich banquet last night in New York?

Mr. BOYLAN. I was not invited to attend the banquet. I stayed in the city of Washington and I know nothing about it. I cannot answer the gentleman's question.

Mr. BLANTON. It so dovetails and fits in with what appears in the newspapers this morning that I can see a great similarity of earmarks. In other words, this bill was probably approved at the Sirovich banquet in New York last night, was it not?

Mr. BOYLAN. Well, I cannot say as to that. If the gentlemen were in New York last night they would not possess the power of knowing what was in the mind of the distinguished President in Washington.

Mr. BLANTON. I recognize the crop and slit off the right ear and the under bit and swallow fork in the left ear. A Sirovich banquet takes place in New York last night. This morning press reports herald "immediate" action on a beer bill. The immediate action is now forthcoming.

Mr. BOYLAN. The gentleman certainly would not want to assume that he is graced with such power as to know what was operating in the mind of the Executive.

I know this is hard medicine for the gentleman to take. I sympathize with the gentleman in a way, because I admire his sincerity and his honesty, but the gentleman has been riding in the saddle for 12 years and has been telling men in this House what to do, and many of them have followed his leadership; but, my dear colleague, as much as I love and respect you, I say now that you must go to the rear. [Laughter and applause.] You and those of your devoted coterie have had your innings for 12 years. Now we say, "We wets are coming to the front and you retire and give us an opportunity."

Mr. BLANTON. For how long?

Mr. BOYLAN. Well, I think until the end of the days of the Republic. [Laughter and applause.]

Mr. BLANTON. Until that time we will be in the front ranks fighting against the return of beer joints and saloons. I imagine that when the Young People's Christian Endeavor Societies of the Christian and Presbyterian Churches, the Epworth League of the great Methodist Church, and the Young People's Baptist Unions all get through on Sunday afternoons and Sunday sermons are over of the numerous ministers of the thousands of churches scattered in every city, town, village, and crossroads of every State, and the various Wednesday prayer meetings are over on Wednesday nights, and the meetings of thousands of parent-teacher associations finally adjourn, and the old-time summer camp meetings get in full sway, and the ladies' federated clubs and associations get through their work, and the Christian fathers and mothers of the country begin to canvass house to house against beer dives and roadhouses that are soon going to open up, it may be that some of the rear rankers you are now attempting to wave behind you will be coming up to the front again in just a few years.

Mr. BOYLAN. Do you not know, my dear colleague, that that is the same old sob story you have been telling us for the last 12 years? Why, I almost know your words verbatim—the distressed mother, the wayward son, the unruly daughter, the roadhouse, and so forth, and so forth, and so forth, and so forth, without limitation.

I respect every church in this land, I respect every clergyman of whatever denomination, but, my dear colleague, even clergymen have seen the light. They realize the dawn of a new day, a new era, when people are looking at this question from a different angle; when they believe that you cannot legislate morality into a people, but that such morality must be inculcated in the homes and in the churches of this Nation.

Mr. BLANTON. The gentleman wants to beware of public sentiment. It is fickle, it changes overnight, and this present wet madness can change overnight. The gentleman may find a great reaction after a while, a relegation of his now fast-riding chargers to the rear, when the people finally wake up, if he does not look out. I have an abiding faith. Not for long will the people tolerate again beer joints, roadhouses, or saloons.

Mr. BOYLAN. The gentleman is willing to take the verdict of the people. You took it and you glorified in it for years. I accept the change in public opinion among the

people of America. Today I am happy that they have seen the light at last. [Applause.]

Mr. BUSBY. Mr. Speaker, I ask unanimous consent to address the House for 5 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. BUSBY. Mr. Speaker, my colleagues, may I ask your attention for just a moment to listen to what I have to say and then you can consider it for whatever it is worth. This is a fair proposition, is it not?

I wish that the whole country could have entered into the spirit of mirth and enjoyment that we have just had the pleasure of doing while the distinguished gentlemen, Mr. BOYLAN and Mr. BLANTON, were addressing us a moment ago, but, unfortunately, this cannot be. There are so many millions of our people who are in destitute circumstances that they would hardly feel able to laugh if you should tell them a good joke. I direct your attention by indirection to them for just a moment.

THE UNITED STATES IS WHERE GERMANY WAS IN 1931

You will remember in 1931 the bankers of the world found Germany sold short on credit. Germany had borrowed some \$300,000,000 on short-term paper. The bankers of the country were demanding that the debts of the United States against foreign nations be canceled. Congress did not propose to cancel the debts and said so before we adjourned along in the spring of the year; but the bankers were not to be foiled in their attempt to get consideration. So they said to Germany, "We will not renew the short-term debts; we will throw all Europe into a financial collapse if we do not get consideration about the debts that are being collected by the United States Government from European debtors."

So they importuned the President of the United States and he declared a moratorium. We collected nothing from the European debts that year and Germany was permitted by the bankers of the country to go along.

THE UNITED STATES IS SOLD SHORT ON CREDITS

Let me direct your attention to our own situation. We have sold this country short on short-term credit by the policy of the United States Treasury until today we are faced with the problem of raising \$690,000,000 in currency to refinance some loans that have been made and which become due on the 15th of this month.

What is the position of the bankers of this country? They say, "We are not going to refinance this on the old terms; you have got to increase the interest paid to us 4,000 percent before we will buy these short-term credits." So, instead of one tenth of 1 per cent they are demanding 4 1/4 percent interest.

We have information through the newspapers. They say this because the Treasury Department is now proposing to sell \$800,000,000 worth of short-term paper at a 4,000-percent increase in interest from what the interest was on the last notes, when it has not offered such paper at any other figure. Who arranged this deal it is not clear to the Congress or to the people.

WE HAVE SURRENDERED TO WALL STREET

What is the trouble in this country? We have surrendered to the banker element as surely as you sit in your seats. This is what they demanded. They demanded that they be given the privilege of handling the expenses of this Government; and the National Economy League, with its headquarters in the financial district of New York, representing Wall Street, demanded of the present administration and of the Congress that you abdicate and give to them the absolute say as to what shall be done about the expenses of the Government or they would not furnish the credit with which to run the Government. This same selfish interest will supervise the expenditures of the Nation or they will balk at buying the Government mortgages—or bonds, if we use another term for the same thing. They treated New York City in the same way. We are in their clutches to stay.

Let me tell you what happened in Germany just after the moratorium was declared. The thing that happened there sounds just as if we were describing conditions in the United States today. I quote from a leading publication published in July, 1931:

The principal measures adopted by the German Government were as follows:

1. The temporary closing of the stock exchanges throughout the country.
2. The closing of all banks on July 13 and 14.
3. The imposition of a partial moratorium on the withdrawal of deposits from all credit institutions.
4. The institution of a severe system of credit rationing by the Reichsbank.
5. The establishment of a foreign control and the forcing of German nationals to declare under oath the total amount of their holdings abroad. Under the same decree, German firms are also under obligation to sell their foreign holdings to the Reichsbank upon the request of the latter.

That is what happened in this country. We are doing exactly what Germany did and nothing else. We are off the gold standard. Why, we have passed a law declaring that a man may be sent to jail if he keeps his own gold and does not turn it into the Treasury. He may be sent to jail if he keeps a gold-coin certificate as his evidence of money or "stored-up wealth".

Are we in any better shape than Germany was when she made the settlement with the international bankers of the world?

My dear friends, we are not. We have 6 or 7 billion dollars more of bonds that mature shortly, and we will be required to deal with the international bankers of the world on their own terms. I am calling your attention to the situation with which Congress is confronted, and you can take it for what it is worth. [Applause.]

Mr. SNELL. Mr. Speaker, may I inquire if there is any other business to come before the House today except speeches by unanimous consent?

The SPEAKER. Nothing else.

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to speak for 10 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

BANKING, BUDGET, AND INTEREST

Mr. PATMAN. Mr. Speaker, ladies, and gentlemen, I was very much interested in what the gentleman from Missouri [Mr. CANNON] had to say, and also what the gentleman from Mississippi [Mr. BUSBY] had to say about the banking situation.

The banking situation today needs immediate attention. As the gentleman from Missouri suggested, if something is not done to help the small banks of the country, our country will experience more bank failures than it has ever experienced in the past. Something must be done at once.

ONE THIRD BELONG TO FEDERAL RESERVE

Very few banks belong to the Federal Reserve System. We have today 10,000 fewer banks than we had in 1921. We have at this time 18,850 banks. Of that number less than one third are members of the Federal Reserve System. Therefore any law that is passed that will help the Federal Reserve System and the national banks will help only one third of the banks of the Nation, and two thirds of the banks will go without help.

It is said that a large number of State banks are members of the Federal Reserve System. It is a fact that some of the State banks are members, but, counting all the national banks and the State banks that are members of the Federal Reserve System, that number is still less than one third of the total banks of this Nation.

Something has to be done in order to aid and assist two thirds of the banks of the Nation that cannot get assistance from the Federal Reserve System.

TWO COURSES TO PURSUE

My friends, there are two courses for us to pursue. We can take over, control, and operate all banks by the

Government and let the Government engage in the banking business.

Another way is to guarantee the deposits of banks in the future—not in the past. The Government of the United States cannot afford to guarantee the deposits that have been made in banks heretofore, for that would increase the national debt from \$20,000,000,000 to \$65,000,000,000.

GUARANTY OF BANK DEPOSITS

In other words, Government guaranty of present deposits in all banks would keep many bankers out of jail but would absolutely ruin the Government of the United States. We may just as well dismiss from our minds the proposition of guaranteeing present bank deposits. We cannot afford to do that, but we can afford to enact some law that will require the banks to guarantee the depositors against loss in the future. Unless that is done we are going to have more runs on banks.

FAVOR GOVERNMENTAL BANKING SYSTEM

I am in favor of a governmental banking system. I am in favor not only of Government control and operation but I am in favor of governmental ownership, control, and operation of the banking institutions of this Nation. Credit is paralyzed. The banking structure of our Nation has fallen down.

RACKETEERS DEMANDING FIRMER GRIP

Something has to be done now, and while we are clamoring to do something for the aid and benefit of the people in this crisis, the powerful bankers who have caused it and brought ruin to our country are at the doors of Congress, under the guise of promoting the general welfare, endeavoring to get a stronger grip on the throats of the American people and endeavoring to get more privileges and monopolies by reason of the distress that they have brought upon our country.

Mr. ALLGOOD. Mr. Speaker, will the gentleman yield?

PEOPLE MISLED

Mr. PATMAN. Excuse me for a moment. Why is it necessary to have Government ownership and operation of banks? Let us go back to the Constitution of the United States and follow it, and this country will be safe. Give the people the truth at all times; do not deceive them, do not keep anything from them, but at all times and under all conditions tell them the truth about economic conditions. Jefferson was right when he said, "When the people get the truth, the country is safe." The trouble is that during the last few months and years the great metropolitan daily newspapers have printed only one side of a proposition; they have not been giving the whole truth on both sides; they have failed to give the people the facts. The same criticism can be urged against the radio, screen, and stage.

CONSTITUTIONAL MANDATE

The Constitution of the United States says that Congress shall coin money and regulate its value. That does not mean, and I do not believe that anyone can construe it to mean, that the Congress of the United States, composed of the duly elected representatives of the people, have a right to farm out that great privilege of issuing money and regulating its value to a few powerful bankers residing in one city of our Nation. We have no right to do that, yet by legislative acts passed heretofore Congress has gradually released that privilege to the banking system, until today a few powerful bankers control the issuance and distribution of money—something that the Constitution of the United States says Congress shall do. Let us get back to the mandate of the Constitution of the United States.

PEOPLE IMPOSED UPON

I want to show you where the people are being imposed upon by reason of the delegation of this tremendous power. I invite your attention to the fact that section 16 of the Federal Reserve Act provides that whenever the Government of the United States issues and delivers money, Federal Reserve notes, which are based on the credit of the Nation—they represent a mortgage upon your home and my home, and upon all the property of all the people of the Nation—to the Federal Reserve agent, an interest charge shall be

collected for the Government. When the Federal Reserve agent delivers the notes—currency—to the private banking institutions, the law says the Federal Reserve agent shall collect from the bank such interest charge as the Federal Reserve Board may assess. The law makes it a mandatory duty upon the Federal Reserve Board to require the payment of interest for the use of the Government's credit. The money collected on interest charges should go into the Treasury. Has that ever been done? No; it has never been done. Billions and billions and billions of dollars have been issued and are being issued every year, and they constitute a blanket mortgage upon this Nation, and they have been delivered to the private bankers without interest and without charge, and if the law had been complied with they would owe this Government billions of dollars today.

BUDGET CAN BE BALANCED

So if you want to balance your Budget, and you are really honest and conscientious about it, why do you not make the bankers who have ruined this country pay their share? [Applause.] Why place a premium and continue to place a premium upon their misdeeds by giving them hundreds of millions of dollars a year bonus, a gratuity for nothing on earth, for no service rendered, and at the same time take the purchasing power away from the people, which goes into the channels of trade and industry throughout this land?

Mr. ALLGOOD. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. Yes.

Mr. ALLGOOD. In the gentleman's speech on Saturday he said:

We are annually paying the New York bankers and other big powerful banking racketeers today something like \$700,000,000 interest that should not be paid. That is a pure bonus.

Mr. PATMAN. Yes; I made that statement.

Mr. ALLGOOD. Will the gentleman please explain it?

Mr. PATMAN. Certainly; I shall be glad to explain it. We have an idiotic, imbecilic system for the issuance and distribution of money. No one within the sound of my voice will deny that. Let me show you where it is idiotic.

The SPEAKER. The time of the gentleman from Texas has expired.

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to proceed for 5 minutes more.

The SPEAKER. Is there objection?

There was no objection.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. For a brief question.

Mr. RICH. The gentleman says that we have an idiotic and imbecilic system of dispensing money.

Mr. PATMAN. I said an idiotic system for the issuance and distribution of money.

Mr. RICH. It seems as though the majority of the people of this country have never recognized that fact, and that the gentleman is the first man who has come to that conclusion.

Mr. PATMAN. Oh, no; I am not the first. The gentleman is the last to find it out, but the gentleman will find it out. [Laughter and applause.]

Mr. MAY. Will the gentleman yield?

Mr. PATMAN. In just a moment. You see, this has come about over a period of years. Laws are passed by Congress giving greater powers and authority and privileges to the banking group, and they are never discussed in either House. They are passed under gag rule. I can tell you about some of them.

Mr. MAY. Will the gentleman yield?

IDIOTIC SYSTEM FOR ISSUANCE OF MONEY

Mr. PATMAN. May I answer the gentleman's question before I yield further? The imbecilic and idiotic system I was speaking about is this: Suppose the Government wants \$100,000,000 and the Government issues \$100,000,000 in bonds bearing 3½ percent interest. The Chase National Bank buys those bonds. Does the Chase National Bank pay a penny for them? No; not a penny on earth. It gives the Government credit for that amount, and as the Government employees and others are paid they are paid through the Chase National Bank in New York City and no money is actually issued, but the Government gets the benefit of that

amount in credit. The Chase National Bank can come back to the Treasury of the United States with the \$100,000,000 of bonds and deliver them to the Secretary of the Treasury. The Secretary of the Treasury will put them in the vaults of the United States Treasury. The Secretary of the Treasury will call up the Bureau of Engraving and Printing and have printed for the Chase National Bank \$100,000,000 of new, crisp money, and it will be delivered to the Chase National Bank. At the same time the Chase National Bank uses that money it will receive interest on the bonds that it has deposited with the United States Government. Will the gentleman say that that is not an idiotic system?

Mr. RICH. Will the gentleman yield?

Mr. PATMAN. I yield for a brief question; yes.

BUSINESS DONE PARTLY ON CREDIT

Mr. RICH. Ninety-five percent of the business of this country is done upon credit.

Mr. PATMAN. Oh, at one time it was. Not now. Ninety-five percent of the business used to be done on credit. But by reason of the fact that so many banks have closed their doors and so many people do not have checking accounts any more and so many people do not do business with banks, I venture to say that not over 50 percent of business is done today through checking accounts, and there is only one way to make up for it and that is to increase the volume of the money the other one half.

Mr. RICH. If you increase the amount of money to the total amount of securities that we have in this country, what would be the necessity of such a volume of money as that?

Mr. PATMAN. I would not favor increasing the amount of money to the total of all securities but would consider issuing money to take the place of outstanding Government securities. Today we have \$45,000,000,000 in deposits in all the banks of this Nation, and if the banks were locked up and the Government agents should go there to take the money out of the vaults of all banks tonight, the Government agents would not find \$45,000,000,000, the amount owed to the depositors. The Government agents would not find even \$900,000,000 that is owed to the postal-savings depositors at the post offices. The Government agents would find only \$700,000,000, and the banks cannot do business when there is so much difference between the actual money and the amount of demand and short-time deposits that are owing to the people who have deposited their earnings and savings in those institutions.

There is only one way to have a safe and sane banking system in this country, and that is to issue a sufficient amount of money so that if the people have \$45,000,000,000 on deposit there will be something like twenty or twenty-five billion dollars at least in the vaults of the banks of this Nation to pay off those depositors. In that way we can pay the national debt, and, as suggested by the gentleman from Alabama, we can save the taxpayers of this Nation \$700,000,000 every year and make every bank in this Nation perfectly safe.

PUBLICITY OF GOVERNMENT LOANS

Mr. RICH. If you had not advocated that we should advertise all loans that have been granted by the Reconstruction Finance Corporation, you would have had funds enough today, and the people would not have been scared.

Mr. PATMAN. Does the gentleman mean the publicity of the Reconstruction Finance Corporation report? Is that what the gentleman refers to?

Mr. RICH. Yes, sir; that is what I refer to.

Mr. PATMAN. Does the gentleman believe in Government by secrecy? Secrecy is a badge of fraud. That is one thing that is wrong with our country now. We have a Government that is secretly administered. The taxes are paid in secret. Refunds are made in secret. I wonder if the gentleman could go down there and find out how much in taxes Mr. Mellon paid last year and how much in taxes he paid 4 years ago? I wonder if he could find out why refunds were granted to him by himself? I wish the gentleman would go down there and try to find out.

During the time Mr. Mellon was Secretary of the Treasury he refunded to himself, to his companies, and to other corporations and individuals throughout this Nation more than 3½ billion dollars, secretly refunded. Had it not been for this secret tax system we have, does the gentleman think Mr. Mitchell, of the National City Bank, would have failed to pay his income taxes in 1929? No. He would have paid them, because the public would have known about it. You will always have deficits in your Treasury as long as you have a secret tax system. Mr. Morgan wants the loans made by the Reconstruction Finance Corporation secret so the people cannot find out if he takes advantage of the Government as he did in the Missouri-Pacific Railroad case.

Mr. WEIDEMAN. Will the gentleman yield?

Mr. PATMAN. I yield.

INVESTIGATION UNITED STATES TREASURY

Mr. WEIDEMAN. Does the gentleman believe that an investigation of the United States Treasury and their accounting would show a different picture to the American public than is now presented in regard to the money that is due to it?

Mr. PATMAN. There is no question in the world but what it will show a different picture, and I thank the gentleman for his suggestion. There should be a fair investigation of the United States Treasury. There has never been an investigation of the United States Treasury.

I made this statement before the Committee on Rules last July, and Mr. Hoover's representative was sitting there across the table from me. One of the members of the committee was interested in the statement and asked Mr. Hoover's representative if it was a true statement, and he replied that it was the truth, but that the Treasury always kept an accurate account of the money received and the money disbursed. One of the members of the Committee on Rules spoke up and said, "Yes; every banking institution does the same thing, but auditors come along and audit these banking institutions in order that the people may know how it stands." But we have in this country an institution, the United States Treasury, that is paying out four and five billions of dollars a year, and has been doing it for years and years, granting refunds of billions of dollars secretly, Members of Congress not knowing the reason why they were granted, yet there has never been an investigation of this institution. We should have one. [Applause.]

For the information of the Members, permission having been granted for that purpose, I am inserting a copy of the resolution that has been introduced by me to investigate the Treasury of the United States, and the monetary, financial, banking, and currency laws of the United States.

House Resolution 31

Whereas it has been charged and there is reason to believe that a shortage of currency and a monopoly of credit exists in the United States and that the power to control the issue of the public currency, which is one of the sovereign powers of the United States Government, has been given over to private interests and that the said private interests have abused that power and have been guilty of unlawful practices in connection with it and have unlawfully extended credit to themselves and to foreigners and foreign central banks at the expense of, and to the great injury of, the people of the United States and that by reason of such practices the people and the Government of the United States have suffered great financial losses; and

Whereas, although the law requires a certain agency of the United States Government to fix an interest rate on all issues of the public currency advanced at the request of the aforesaid private interests and requires that the aforesaid private interests shall pay such interest charges to the United States Government it has been charged and there is reason to believe that this law has for 17 years been deliberately disobeyed and that the Government and the people of the United States have thereby been deliberately defrauded of immense sums of money and that such sums of money are due to the Government from the aforesaid private interests; and

Whereas it has been charged and there is reason to believe that vast profits which have been made in times past by the private interests to whom was farmed out the great privilege of controlling the currency of the United States have not been properly accounted for and that the knowledge of such profits has been concealed from the people by bookkeeping devices and that the legal share of such profits belonging to the Government has not been in its entirety set aside or paid over to the Government but has on the contrary been used speculatively by the said private

interests for their own benefit and that the published reports of the said private interests are not acceptable to the people of the United States and should be examined by the representatives of the people; and

Whereas it has been charged and there is reason to believe that although it is unlawful to expand credit without increasing reserves, the aforesaid private interests by means of their monopolistic control of United States currency have inordinately expanded credit for their own use and benefit without increasing reserves and have thereby gravely injured the United States and have inflicted immense losses upon the Government and the people; and

Whereas it has been charged and there is reason to believe that by permitting national banks to accept time drafts and bills of exchange drawn upon them, and by permitting national banks to buy and sell with their endorsement time drafts, bills of exchange, and trade acceptances, and by rulings to the effect that such circulating evidences of debt, including those drawn in dollars by foreigners for their own purposes, are rediscountable here and purchasable here in the open discount market and may be used by the aforesaid private interests as collateral security for new issues of United States currency, great losses have been inflicted upon the Government and the people of the United States, the Government having unwisely been made the guarantor of that particular kind of currency, and that such losses have been and are now being paid by the exportation of gold; and

Whereas it has been charged and there is reason to believe that although the original provision of law for the issue of currency on the security of time drafts or bills of exchange to be used in financing the importation of goods, contemplated goods, which were to be imported into or exported out of the United States, the fact that the words "United States" were omitted from the law gave excuse for a ruling which extends this provision to time drafts and bills of exchange financing goods imported and exported by foreign countries from and to foreign countries; and that this provision has been extended to cover time drafts and bills of exchange financing goods in domestic shipment or stored in domestic warehouses, and to time drafts and bills of exchange financing goods belonging to foreigners or others, which are stored in foreign warehouses, and has likewise been extended to cover time drafts and bills of exchange drawn to finance goods shipped between two or more foreign countries, and to time drafts and bills of exchange not related to goods of any character but merely designed to furnish cheap exchange to foreigners, and that all such time drafts and bills of exchange have been made collateral security for United States currency which the United States Government is obligated to redeem in gold, and that great losses have been inflicted upon the Government and the people of the United States by reason of these rulings and extensions, by the abuse of acceptance privileges, and by the use of such time drafts and bills of exchange as collateral security for United States currency; and

Whereas it has been charged and there is reason to believe that although the original provision of law under which the private interests aforesaid assumed power to control the issue of the public currency inaugurated the use of a new currency based solely on notes and bills accepted for rediscount, the private interests aforesaid had amendments added to existing laws giving them power to use each and every kind of debt paper, purchasable in the open discount market, as collateral security for new issues of United States currency, and that, by means of these and other vicious amendments to existing law the Government of the United States has been put in debt by the aforesaid private interests indiscriminately in all parts of the world as the enforced backer of private debtors, and that the Government has thus been made the backer of swindlers, smugglers, and speculators, and that low elements in all nations have been allowed to operate on the public credit of the United States Government, supplemented by the bank deposits of the American people, and that immense losses have thereby been inflicted upon the Government and the people; and

Whereas the reserves of the national banks have been confiscated and impounded in a central pool and placed under the control of the aforesaid private interests, and it has been charged and there is reason to believe that the said private interests have drawn immense sums of gold out of the said reserves belonging to our national-bank depositors and have lent such sums to foreign central banks and have lost other such sums in speculative enterprises and have transferred other such sums in gold to themselves and their foreign principals, thus requiring the continuous replenishment of the reserves in the pool at the expense of the American public and to the great injury of the Government and the people, and that the said private interests have established in connection with the said pool a discount market which they control and operate for their private benefit by means of their control of the said pool of confiscated bank reserves belonging to our national-bank depositors, and that they use United States Government obligations unlawfully in the operating of the said discount market, and that they have made the New York Stock Exchange and other exchanges adjuncts of the said discount market and that by reason of their control of the discount market they control the entire money market of the United States, all money rates, including the call-money rate, the prices of all stocks and bonds on the exchanges, the prices of all commodities, the wages of all our people, and the value of all property both real and personal; and

Whereas it has been charged and there is reason to believe that by permitting certain banks in the United States to become

the agents of foreign central banks, the wealth of the United States has been conveniently placed at the disposal of the said foreign banks and their customers; and that property belonging to American citizens has been taken from them without their knowledge and consent and without due process of law and that such property has been exported to foreign lands for the benefit of foreign central banks and their customers and that such property has likewise been exported to foreign lands to satisfy debts incurred by the aforesaid private interests and that such property belonging to the bank depositors of the United States is now being exported to satisfy claims held by foreigners against other foreigners in default, the aforesaid private interests having abused their power over the public currency so as to make the United States Government the backer of the defaulters, and that other such property belonging to the people of the United States is likewise being exported to finance foreigners in competition with American producers, and for other purposes; and

Whereas it has been charged and there is reason to believe that the division of the United States into arbitrary financial areas has violated the principle of the sovereignty of the separate States of the Union and has diminished the importance and hindered the growth of certain States and threatens the financial stability of such States by making it possible for the resources of such States to be drawn outside of their borders and exported to foreign lands; and

Whereas it has been charged and there is reason to believe that the aforesaid private interests have injured our foreign trade, reduced our trade balances, adversely affected the prices of our goods and commodities, and have benefited foreigners and themselves at the expense of the Government and the people of the United States, and have financed foreign countries, cities, towns, public utilities, banks, corporations, and individuals with funds belonging to American bank depositors, and that "blocks" of bonds and stocks issued by foreign governments, cities, railroads, industrial corporations, and the like have had debentures issued against them for sale to American investors and that foreign securities of small value or of doubtful value and of no marketability abroad have thus been sold to American investors to the extent of billions of dollars at a great profit to the aforesaid private interests and to foreigners but to the great loss of American investors, and that mass credits have been opened in the United States for foreign interests and have been withdrawn from the United States by means of drafts drawn in dollars rediscountable here or purchasable here in the open market and paid for in gold taken from our national-bank reserves or in United States currency redeemable in gold upon demand, and that corporations have been accorded extraordinary privileges, including the right to incur liabilities equal to 10 times their capital stock and surplus and that these and other corporations have been instrumental in having questionable foreign acceptances drawn in dollars rediscounted here and purchased here and used as collateral security for United States currency; and that there has been an abuse of acceptance facilities in the United States, and an abuse of open-market privileges and an abuse of Government funds and obligations and an abuse of the public currency; and

Whereas there is a decrease of business and industry in the United States and thousands of business enterprises have failed and the owners thereof been forced into bankruptcy; and thousands of banks have been obliged to close their doors with a resultant loss to American bank depositors of several billions of dollars; and wage-earners by the millions have been thrown out of employment; and a condition of widespread misery, want, and suffering has been created among the people of the United States and a breaking up of American homes and families has taken place and a dispersal of American children has occurred which has removed them from the care of their natural protectors and there is an unprecedented condition of crime and disrespect on the part of certain elements in the population for law and duly constituted authority, all of which is said to betoken an economic and financial crisis in the affairs of the Nation, and it has been charged that there is reason to believe that this crisis has been caused by the conditions set forth herein, and other graver irregularities, crimes, and abuses; and

Whereas it has been charged and there is reason to believe that the independent United States Treasury has been destroyed and its functions taken over by the private interests which control the public currency and that public moneys raised from the people by taxation have been used speculatively and that such funds have been improperly secured and losses and abuses have occurred in connection with them, and that irregularities have been disclosed in the accounts of the War Finance Corporation and that Government obligations have been unlawfully used to control the money market for the benefit of the aforesaid private interests and their foreign principals; and

Whereas there is a deficit in the estimated receipts of the United States Treasury and it has been charged and there is reason to believe that a proper scrutiny and examination of the accounts of the fiscal agents of the Government and of the United States Treasury and all related matters is necessary in order to safeguard the rights of the people; and

Whereas it has been charged and there is reason to believe that the monetary, financial, banking, and currency laws of the United States have been evaded, maladministered, disregarded, abused, and disobeyed, and that private interests have made false representations and have thereby obtained laws, and amendments to existing laws, and illegal and unfair rulings for their own benefit and financial profit at the expense of the Government and the people of the United States, and that the proper framing emenda-

tion, administration, and impartial execution of the banking and currency laws of the United States are matters of vital concern to the people of the United States; and

Whereas legislation is now pending involving important changes in our banking, currency, and monetary systems and vitally affecting the Federal Government and the United States Treasury, United States foreign trade and commerce, United States foreign relations, our national banks and other financial institutions, and bills have been introduced having for their purpose the amendment of the act generally known as the Federal antitrust law; and

Whereas it is deemed advisable to investigate the monetary, banking, currency, and fiscal affairs of the United States in their entirety and to gather the facts bearing on the aforesaid conditions and charges or in any way relating thereto or to any of the subjects above mentioned as a basis for remedy and other legislative purposes: Therefore be it

Resolved, That the Speaker of the House of Representatives be, and he is hereby, authorized to appoint a special committee consisting of five members and such substituted members as may be from time to time selected by him to fill vacancies, if any occur, in the special committee, and that the said special committee is authorized and directed to fully investigate and to inquire into each and all of the above-recited matters and into all matters and subjects connected with or appurtenant to or bearing upon the same; be it further

Resolved, That said committee as a whole or by subcommittee is authorized to sit during the sessions of the House and during the recess of Congress. Its hearings shall be open to the public. The committee as a whole or by subcommittee is authorized to hold its meetings both during the sessions of Congress and throughout the recesses and adjournment thereof and in such cities and places in the United States as it may from time to time designate; to employ counsel, experts, accountants, bookkeepers, clerical, and other assistants; may summon and compel the attendance of witnesses; may send for persons and papers, and administer oaths to witnesses. The Comptroller of the Currency, the Secretary of the Treasury, the Director of the Bureau of Engraving and Printing, the Director of the Mint, the head of the Department of Commerce, the Secretary of State, the Interstate Commerce Commission, the president of the Reconstruction Finance Corporation, and their respective assistants and subordinates are hereby respectively directed to comply with all directions of the committee for assistance in its labors, to place at the service of the committee all the data and records of their respective departments, to procure for the committee from time to time such information as is subject to their control or inspection, and to allow the use of their assistants for the making of such investigations with respect to matters under their respective jurisdictions as the committee or any subcommittee may from time to time request. Said committee shall take such testimony, have such printing and binding done, and make such expenditures as it deems necessary; and be it further

Resolved, That no person shall be excused from giving testimony or from answering any question or from otherwise disclosing any fact within his knowledge as an individual or as a member of a board, an officer or director of a bank, corporation, or otherwise, or from producing any book, paper, or document on the ground that the giving of such testimony or the production of such book, paper, or document would tend to incriminate him, or for any other reason. It shall be within the power of the committee or subcommittee to grant immunity from prosecution with respect to any matter or thing concerning which he may be interrogated and as to which he shall truthfully make answer under oath upon such investigation. The Speaker shall have authority to sign and the Clerk to attest subpoenas during the recess of Congress.

I have asked the Committee on Rules for a hearing on this resolution and hope to get favorable action on it in a short time.

An investigation will disclose that our President had sufficient reasons to say that the money-changers should be driven from the temple.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Craven, its principal clerk, announced that the Senate had passed without amendment a joint resolution of the House of the following title:

H.J.Res. 75. Joint resolution to provide for certain expenses incident to the first session of the Seventy-third Congress.

AUTHORITY FOR COMMITTEE ON WAYS AND MEANS TO SIT DURING SESSIONS OF THE HOUSE

Mr. BYRNS. Mr. Speaker, the gentleman from North Carolina, the chairman of the Committee on Ways and Means, and those Members who have been appointed to this committee are absent from the Chamber on official business in connection with the committee work.

Mr. Speaker, I ask unanimous consent that this committee may have authority to sit during the sessions of the House for the remainder of the week.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

HOME LOAN BANK ACT

Mr. REILLY. I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. REILLY. Mr. Speaker, the closing hours of the first session of Congress passed and the President signed legislation known as the "home loan bank bill". Ever since the home loan bank bill was presented to Congress down to this day a campaign of misrepresentation as to the purposes and results of the law has been carried on by the opponents of any legislation designed to help the home-building movement in this country.

We read in newspaper items that the Home Loan Bank Board is to be abolished as one step in the administration's economy program and also because the home-loan bank system has failed to function as promised.

The Home Loan Bank Board may be abolished and the law repealed, but such a change cannot be made in the name of economy. To date the home-loan bank system has cost the National Government only about \$200,000, and after July 1 next the Home Loan Bank Board and all the 12 home-loan banks will not cost the Government 1 cent.

The law provides that after June 30, 1933, the Federal Home Loan Bank Board shall assess the 12 banks for its operating expenses.

The Home Loan Bank Board will not only be self-sustaining after the first of July next but the system in a short time will be able to pay back to the Government every dollar it has put in for capital stock in the organization, with interest also, as provided by the law.

The newspaper articles telling of the army of employees on the pay roll of the home-loan bank system are all propaganda. One article stated that there was an army of 2,000 employees on the pay roll of the 12 banks, and about 500 on the pay roll of the Board in Washington.

The fact is that there are about 80 employees on the Board's pay roll and about 400 on the pay roll of the 12 banks.

Let it be understood also that the United States Treasury does not pay 1 cent of the pay roll of the 12 banks; these banks pay their own way.

The economy argument against the home-loan bank law is simply a smoke screen sent up by the opponents of the law—the big insurance companies, the American Bankers Association, and the large mortgage companies.

The home-loan bank bill did not get through the House and Senate without a fight; it met with severe and persistent opposition from selfish interests, from individuals and institutions who were not concerned or interested at all in a home-building program, which is of vital interest to the great army of the common people of our country.

Inquiry reveals that the Home Loan Bank Board is functioning and functioning quite satisfactorily.

It took the Federal Reserve System 11 months to make its first loan and the Federal farm-loan system about as long or longer to organize and to get started.

The Federal home-loan system was organized and made its first loan within 4 months, and now about 8 months after its organization it is in full operation with 12 banks functioning, and has made loans in the sum of \$25,000,000, with about \$25,000,000 more in process of loaning.

Prior to the banking holiday declared by President Roosevelt, the 12 home-loan banks were loaning money at the rate of about \$5,000,000 a week.

One difficulty which the Home Loan Board has had to contend with in setting up the system has been the fact that when the law was passed, there were only about 12 States whose laws would permit their home-building institutions to join the system.

The past 4 weeks 30 State legislatures have passed laws so as to permit their home-financing institutions to join the

home-loan bank system. Seventeen hundred home-financing associations have made application to join the system and have subscribed \$15,000,000 to its capital stock.

A substantial amount of the funds loaned by the 12 banks of the system to date has been reloaned by member institutions for repairs and remodeling of homes, the payment of taxes, the refinancing of matured mortgages, the making of new mortgages, and the payment of necessitous withdrawals from building-and-loan associations.

It was unfortunate that during the recent campaign efforts were made to lead home owners to believe that the system was enacted as a Santa Claus for those who had overfinanced their homes, and that all a home owner threatened with foreclosure had to do to stop the court proceedings was to apply to a home-loan bank and get a loan direct from the bank, no matter how large a loan he might want.

There is no machinery set up in the law for the making of direct loans to the home owner. It is true that a plausible rider suggesting direct loans by the Government was inserted in the bill in the Senate by a leading opponent of the measure in an effort to kill the legislation.

The whole theory and purpose of the act are irreconcilable to such a procedure, and such activities are not only impractical but are impossible when one studies the act as a whole. The publicity that has been given to this inoperative section of the act has made impossible any fair and considerate study and evaluation of the real purposes of the home-loan bank system.

If it should be deemed advisable for the Government to make loans directly to the home owner, the law can be so amended; but if it should be so amended, it would destroy the theory and purpose of the law.

The home-loan banking law was intended to serve existing home-financing institutions just the same as the Federal Reserve System served its member banks. The Federal Reserve System deals with member banks and not with individuals; the home-loan banking law was designed to deal with existing home-financing institutions and not with the individual home owner.

The home loan bank law was written primarily to aid building-and-loan associations and other institutions engaged in financing homebuilding in this country.

The institutions with which the home-loan bank system is dealing are essentially small, community, thrift institutions, and peculiarly institutions of the people.

For example there are 11,000 building-and-loan associations in the United States, which have the thrift savings of over 10,000,000 people and have mortgage loans at present to over 2,000,000 people. These community institutions are largely associated with those in the humbler walks of life, such as artisans, mechanics, and so forth.

The building-and-loan associations of this country alone have mortgage investments of over \$8,000,000,000, representing a home-mortgage business five times as large as the farm-mortgage business of the Federal land banks and the joint-stock land banks combined.

The essence of the Federal home-loan bank system is to band together as many as possible of the 15,000 local home-financing institutions into a reserve system. These institutions are largely mutual or cooperative concerns and today hold approximately \$14,000,000,000 worth of home mortgages, which is over 70 per cent of the home loans in the country.

The 15,000 include all building-and-loan associations, all mutual savings banks, and insurance companies, all of which institutions are eligible for membership in the home-loan bank system. The home-loan bank system will give these institutions, particularly to building-and-loan associations, a way to function more normally at all times, by providing a place to go for funds, regardless of the vicissitudes of the commercial banking world.

There has never been enough long-term, low-cost mortgage money in the United States. The home-loan bank system was designed to bring added supplies of capital into

this field and thus lower interest rates by increasing the funds available for home-mortgage purposes.

It is estimated that the building-and-loan associations alone could use advantageously today \$1,000,000,000 additional capital, if it could be had, in providing money for necessary new-home construction, in furnishing funds for the repair and remodeling of homes, in the payment of taxes, in the rewriting of mortgages, and in the supplying of the necessary funds to meet withdrawals of investors who are in dire economic distress.

There is only one of two ways by which sufficient funds can be furnished to finance homebuilding in this country. One way is through the sale of bonds and debentures by the home-loan banks, said securities to be based on the mortgages of the members of the system, and the other way is for the Government of the United States to furnish direct from the Treasury the required funds.

The amount of money that could be advantageously used by the home-financing institutions of this country is far in excess of any sums that could be furnished for that purpose direct from the United States Treasury.

The building-and-loan associations and other like institutions have done in the past and are doing today a great work in the way of furthering home ownership in this country. The stability and future of our country depend upon the number of our citizens who own their own homes.

The homebuilding associations are the poor man's institutions. During the life of these cooperative home-financing institutions in this country, 8,000,000 homes have been constructed for the common people; and during the calendar year 1932, of the 25,600 single-family homes built in this country, 19,370 were constructed by the building-and-loan associations and other like associations.

These institutions loan to prospective home owners up to 80 percent of the sum necessary to build a home. No other loaning institution today will advance such a high percentage of the cost of a home.

The home-loan bank system is ready to render real service to the cooperative home-financing institutions in this country.

That we have the home loan bank law today is due largely, if not entirely, to the leaders of the home-financing institutions of this country, who have for many years been planning for the enactment of a law that would furnish to such institutions the same services that the Federal Reserve System furnishes to its member banks, and thereby permit the home-financing institutions to function to the best advantage of our citizens who desire to own their own homes.

As chairman of the subcommittee of the Banking and Currency Committee of the House, which framed this home-loan bank bill, it was my privilege to stand on the floor of this House and to urge the passage of that measure, because I believe it to be constructive legislation which would aid in increasing home ownership in this country.

I have not changed my mind as to the merits of the home-loan bank law, and I am not disappointed in any way with the results of an 8-month trial of the law. The fact is, I am more convinced than ever that the law will prove of great benefit to the institutions engaged in the small-home financing field.

If any disappointment as regards this law exists today, it is with the opponents of the measure who prophesied on the hearings before the committee that the law was not needed and would prove unworkable.

Mr. FORD. Mr. Speaker, I ask unanimous consent to address the House for 5 minutes on the California wine situation.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

THE CALIFORNIA WINE SITUATION

Mr. FORD. Mr. Speaker, California has just been visited by a major catastrophe. This catastrophe is one which will strain and stress the resources of this great State for the

next 2 or 3 years to make up for the tremendous loss not only of life but of property.

This morning appeals were made from the floor of the House advocating the immediate passage of a beer bill. I most respectfully suggest and ask that the Committee on Ways and Means shall, when they take into consideration the claims of the beer interests, look very carefully into the matter of seeing what can be done for wine.

The wine industry of California is a \$350,000,000 to \$400,000,000 industry. It has been languishing for many years, and it is my hope that my colleagues will do everything in their power to aid this State in this its hour of tremendous trial by legalizing wine as well as beer, and thus bring back to a measure of activity one of its major industries.

Insofar as I know, the California delegation will support the beer measure, but we ask of you in return for this support that you cooperate with us in bringing back to this country the sparkling wines of the Golden State.

Mr. CELLER. Mr. Speaker, will the gentleman yield?

Mr. FORD. I yield.

Mr. CELLER. Does not the gentleman think that the Committee on Ways and Means might well consider the fact that claret and sauterne, or California Burgundy, is nonintoxicating in the sense that when taken with food it cannot be deemed intoxicating because it contains under 12 percent by volume of alcohol?

Mr. FORD. I hope the committee will take that into consideration.

I may say further that the State of California has, during this so-called dry period, been under the domination of what is known as the "moral forces" of the Nation, and I say "moral forces" in quotations. These forces in the last campaign battled against the repeal of the Wright Act, although it was a well-known fact that wine was being illegally manufactured and sold to the profit of the bootlegger and the ruin of the grapegrower, who had to take from the illegal wine trade any price offered. The Wright Act was repealed by the people of California by a tremendous majority. So when I say that California as a State asks that you give its wine industry support I am speaking with the backing of the entire State of California, and I think the Committee on Ways and Means will do everything in its power to bring this about. [Applause.]

Mr. McSWAIN. Mr. Speaker, I ask unanimous consent to proceed for 10 minutes.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

BANKS AND BANKING

Mr. McSWAIN. Mr. Speaker, it is manifest that the American banking system has broken down and that the Federal, as well as State and municipal, fiscal systems have broken down.

I want the Members of the House to form a solemn resolution that in rebuilding the legal skeleton around which these systems may be restored to life we will do a thorough job so as to prevent a repetition of the horrors, the miseries, the sufferings, and the suicides that we have suffered and witnessed during this particular time of stress.

I have seen these panics come and go during my short life of less than 58 years. During three periods in my life have I seen money—that is, actual cash—disappear from sight and the people forced to resort to barter and exchange, or to the use of clearing-house certificates.

In 1893 in Columbia, S.C., not a single dollar bill was to be had in the commercial and mercantile institutions, and clearing-house certificates printed on a printing press in Columbia, issued by the Clearing House Association of that city, was the only medium of exchange between those who had things to sell and those who wished to buy. A man with a load of cotton who wanted to buy commodities in the store, and the storekeeper wanting to sell commodities to him, could only be brought together on a measure of value by a little yellow slip of paper printed on a printing press within a hundred yards of where they were trying to do business.

In 1903 we had the same thing. In 1907 we had the same thing; and we thought when the Federal Reserve System was established in 1913 that conditions of this sort would disappear, would no longer return to plague the American people. But today we find that the same urgent situation has arisen and that there is a commercial paralysis; there is a coagulation of the blood of trade. Money has disappeared. The people who want to sell have no measure by which they can convert their goods over to those who wish to buy, who need the goods, who are hungry, who are ragged, who are shivering, who need houses and tools.

Now, I say that we owe it not merely to ourselves—this change will hardly come to pass in time to save most of the men of my generation—but I say, for God's sake, let us go to the root of the matter and settle it so that our children and our children's children may not have to pass through this Gethsemane of suffering and perhaps to the golgotha of American skulls. [Applause.]

Now, let us do it; let us do it well, to stand on the solid rock of sound principle.

I have offered a joint resolution to provide that no more when America sells her bonds or her bills, or issues her notes, shall there be carried on the face of these obligations the requirement to pay in gold of a certain weight and fineness.

I say that whenever a debtor pays back what he gets when he borrows he has discharged his complete moral obligation.

Today the Federal Government alone, leaving aside State, county, and municipal governments, has outstanding obligations that call for the payment in gold of present weight and fineness of a sum that amounts to \$20,000,000,000 and more.

Now, is this reasonable? If we say we are going to pay them in gold, do we not mean it? If we mean it, then we were a set of idiots when we promised it, because \$20,000,000,000 worth of gold is twice as much as all the minted gold in all the world.

Mr. DIES. Will the gentleman yield for a question?

Mr. McSWAIN. For a question; yes.

Mr. DIES. Did the gentleman see the statement of a case in England that was decided by the highest court there involving the question as to whether or not a contract payable in gold of the present weight and fineness is enforceable, the court of England holding the contract was not enforceable and that the debtor was entitled to pay with the currency of the country?

Mr. McSWAIN. I do not know what was decided over there.

Mr. DIES. And that is going to be the law here, too.

Mr. McSWAIN. I do not want to take any chances on what a court will decide. We are those who make the law that the courts, as well as the country, ought to obey, and every bond and obligation that this country issues ought to bind the Government to repay money, nothing but money.

Now, what did we get when we borrowed this \$20,000,000,000? We got nothing but bank credit. We did not get gold or silver or even paper money. We got bank credit, and yet we bound ourselves to pay in gold \$20,000,000,000, or twice all the monetary gold in the world. It would be just as reasonable to bind ourselves to pay back 1,000 carloads of radium, even while there is not enough radium in the world to fill one room of this Capitol.

Mr. BUSBY. Will the gentleman yield for a question?

Mr. McSWAIN. I yield for a question.

Mr. BUSBY. Does the gentleman realize that if private individuals should collect their obligations in gold, under present law, they would be subject to a penalty if they retained the gold?

Mr. McSWAIN. Oh, yes; I understand that. I am not thinking about today; I am thinking about your children and mine and our grandchildren.

We want, if we are wise, to act and go to the root of the matter and fix this thing so that the children who come after us will not be whipsawed up and down, skinned on one side and then on the other, and have America "sold short" when things are booming and then have America bought in by

the same gambling crowd when things are in a state of depression. We want to avoid a repetition of this condition.

How can this be done? There is a committee of business men, headed by Mr. Frank A. Vanderlip, who was prominent once in active banking circles in New York, that has been studying this matter for years. It is known as the "Stable Money Association." They have recently issued a little pamphlet. It came to every one of you; and if you have not read it, I want you to read it. It is the most logical, reasonable, fair, brief statement of the money problem that I have ever come across; and if this country hereafter will follow the suggestions contained in this pamphlet, we will have a dollar with a stable purchasing power. It will be based upon the average commodity prices of 550 or more commodities, so that a dollar today will buy the same number of pounds of cotton, the same number of bushels of wheat, the same number of pounds of meat, that it bought when the obligation was created 5 or 6 or 7 years ago.

This is the measure of values—values themselves. We have suffered because we have allowed the banking system to make gold the standard of value. They have played with gold to the detriment of our people—gold shipped in and gold shipped out, and our people constantly deflated and almost destroyed.

Those who worship gold had better mind. Some chemist is today working in his laboratory to discover an economical process by which gold may be artificially made. It has already been made, but the expense of making it, of course, is now prohibitive; but it may be that tomorrow's newspaper will blast the faith of those who have worshiped gold for all these thousands of years. If gold should become cheaper than copper or steel, we could legally discharge our national debts at little cost. But it would not be fair and honest, and we would not compel our creditors to accept cheap gold. So they ought not to compel us to pay very costly gold, gold that costs us twice the bank credit they lent to us.

[Here the gavel fell.]

Mr. TRUAX. Mr. Speaker, I ask unanimous consent to address the House for 5 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. TRUAX. Mr. Speaker, I expect to vote for the beer bill, first, because it eliminates the colossal fraud and sham of prohibition that we have had in this country for 12 years; secondly, because it is a part of the platform upon which we were all elected.

I yield to no man in admiration and respect for our great leader, Franklin D. Roosevelt. I want to say to you that my colleague, MARTIN SWEENEY, from Ohio, and myself, in that historic Chicago convention, were out working on the floor in that convention for the nomination of our President, while the Ohio delegation was still caucusing after his nomination had been made.

I submit to you that this bill is a part of his program. I hope that it may be speedily enacted, as were the other two majority measures.

I am sorry that I was unable to go along with him in the economy bill, but a campaign pledge to me is a promissory note to be paid, and to be fulfilled. Having been elected at large, I come from a district, the great State of Ohio, where we have 7½ million people, of whom a large proportion are in distress—the land of the "forgotten man." And, gentlemen, I am opposed to taking away from those the little that they already have.

Now, I want to say a word about the banking situation. I contend that for many years in this land of ours we have had a government of the bankers, by the bankers, and for the bankers. It is time that we enacted legislation which will give some relief today to these people who deal with the bankers.

I recall the statement of the distinguished gentleman on my left, when he said that no one, apparently, knew the situation today. I want to tell you that the farmers in

Ohio knew it about 10 years ago. For 10 years we have been fighting to secure the cost of production of commodities. I hope this House and the Senate will pass legislation before we recess that will cause the American farmer to look through the clouds and see a new ray of hope.

Back in Ohio we have not only money lenders, but the State banking department has been just as ruthless in the foreclosure of mortgages as any private money lender.

Three sessions of the general assembly have been held within the last 6 or 8 months, and now they are in regular session. At the opening of each session I dispatched an open letter to the governor, calling his attention to the deplorable situation of the farmers, but they were ignored.

Today, an average of 500 farmers are being evicted daily by the money lenders. What we need in our legislation is to enact a law giving the President dictatorial power to declare a national moratorium against foreclosures. [Applause.]

Mr. HOEPEL. Mr. Speaker, I ask unanimous consent to address the House for 5 minutes.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. HOEPEL. Mr. Speaker, Members of the House, I am going to speak to you this afternoon upon something most vital to the people of America. If my time permits, I am going to prove to you that the postal-savings law is nothing but subsidized machinery for the bankers of America. I am now going to explain to you how we can get the billions of dollars out of the socks of the American people, how we can put them into circulation, and by that means double the medium of exchange and help the poor people of America, and not the bankers.

I propose that the Post Office Department accept two kinds of deposits. One form of deposit will be savings deposits, which will bear 2 per cent interest or thereabouts. The other form of deposit will be what I term a circulating deposit. Whenever you deposit \$100 at the post office in a circulating account, you will have it in your power to say, "I want receipts for this money," and you can receive either one hundred \$1 receipts or one \$100 receipt, which should be similar to the present travelers' checks or express money orders. As long as you keep those receipts in your sock, they are safe; and whenever you want to transfer them into collateral, you sign them and they will circulate the same as any other bank note. If you will pass a law of this nature, the American people will have confidence in their Government. They will deposit their money in the Post Office Department.

Here is the big feature. Today we have almost \$1,000,000,000 on deposit in postal savings. All of that \$1,000,000,000 is turned over to the banks of America at 2½ percent interest, and the banks charge you and me 7 to 12 percent for that same money that belongs to us. Under my plan the money which goes into the savings account, for which you receive 2 percent interest, will be used to redeem Government bonds now paying up to 4½ percent; or, in other words, if you adopt my idea, you will save \$25,000,000 on your present deposits, which you are now giving to the banks. That is my plan. As I have indicated, you will make it possible for the American people to have confidence in their Government and in the finances of their Government.

I am a poor man, just like most of the people in the United States today, but I tell you that I am not going to put my money into the banks of the country to have these international bankers send it over to Europe and South America. On Saturday in this House we voted to give the President power to take from the veterans the gratuities justly due them. In my own city, in Arcadia, Calif., a comrade of mine was inveigled by these bankers to invest \$3,000 in South American bonds, which are now in default, and these same bankers come to you today, and they came to Congress Saturday, asking us to vote away the small stipend of a pension on which this man has to live!

Mr. BLANTON. Mr. Speaker, will the gentleman yield?

Mr. HOEPEL. Yes.

Mr. BLANTON. Does not my friend from California think that Congress would help the people more by furnishing an absolute 100 percent guaranty for our bank deposits and taking the Government out of the postal banking business and letting the people transact, with ensuing confidence, their business with private banks?

Mr. HOEPEL. Mr. Speaker, I am very much pleased, indeed, that the gentleman has asked me this question. On May 1, 1932, there were \$59,000,000,000 on deposit in the United States, and there was less than \$9,000,000,000 in the entire United States in cash. I ask the gentleman how he can guarantee \$59,000,000,000 of deposits when there is less than \$9,000,000,000 in cash?

Mr. BLANTON. We must find a way to guarantee all bank deposits, else the people will keep their money out of banks.

When you put money in the postal banks it is not loaned to the people. Guarantee, absolutely, all deposits; then the people will put their money into the private banks, and then it will be loaned to the people who need it. Surely a government as strong as the United States Government can provide some means for the banks to adequately guarantee their bank deposits; and unless we do we are not going to have any more banking business in the United States that is stable.

The SPEAKER. The time of the gentleman from California has expired.

Mr. KELLER. Mr. Speaker, I ask unanimous consent that the time of the gentleman from California be extended for 5 minutes.

The SPEAKER. Is there objection?

There was no objection.

Mr. HOEPEL. I should like to answer the question of the gentleman. He wants the Post Office to lend the money to the people. Is any man so stupid, is any man so dumb, as to think that the people and bankers as here explained have a right prior to the Government itself? If you will examine the situation, as I explained to you, the Government is losing today \$25,000,000 on my money and your money, and the bankers are making almost \$45,000,000 clear profit on the money which we deposit in the postal savings.

Mr. LAMNECK. Mr. Speaker, will the gentleman yield?

Mr. HOEPEL. For a question.

Mr. LAMNECK. The money that goes into the postal-savings bank is turned over to the banks in the immediate vicinity in which the money is originally deposited. The gentleman knows that?

Mr. HOEPEL. Is that the gentleman's question?

Mr. LAMNECK. I want to lead up to something. The money that the people deposit in the postal-savings bank by being loaned to the banks is in turn loaned to the public in the community in which the deposit is made, so that the public really does get the money.

Mr. HOEPEL. The public really gets the money. Yes; the public gets the money, but they get the money at 7 to 12 percent interest. I want the Government to get that money and get the advantage of it at 2 percent interest, which interest they pay you on your deposit.

Mr. BLANTON. Will the gentleman yield?

Mr. HOEPEL. Not now. Now, there is another question involved. The limitation on postal savings is too low. We cannot get the money into circulation. They cannot deposit more than \$2,500. It should be raised to \$10,000. This is only a temporary palliative that I am suggesting. Later on during this session I will introduce a bill making it all-wide and universal so that the Government can loan the money back to the farmers and home owners, who are bound down today with mortgages drawing 7, 9, and 12 percent interest. I contend that the home owners and farmers of America are entitled to borrow money from the Government at slightly higher rates of interest than the Government is paying to the people themselves. It is possible—and building-and-loan association presidents have so informed me—that they can take money from the Government and charge 1½ percent more than they are paying the Government and make money at it. If they can do that under our

present law today, building-and-loan associations and banks of the United States should be loaning money to the home-owners and people who have mortgages in this country at 4 percent instead of 7 and 12 percent.

Mr. BLANTON. Will the gentleman yield?

Mr. HOEPEL. I yield.

Mr. BLANTON. According to the statement made by my friend Mr. LAMNECK, before any bank can receive postal-savings deposits it must first buy and deposit with the Government as security either Government bonds or other approved bonds in equal amount; so, after all, you do not help the people much with the postal funds.

Mr. HOEPEL. I should like the gentleman from Texas to ask me a lot of questions, because whenever he does he cuts his own throat, as I look at it. [Laughter and applause.]

Mr. BLANTON. I thought I was asking a sane, friendly question that merited the same kind of an answer.

Mr. HOEPEL. Of what avail is it to loan money to the banks when their own currency is of no use? It is invalid. At the hotel where I am stopping they put a placard on my stand which reads, "We will not accept your check; but if you will give us a post-office money order, that is good." That is what we want. When you deposit that money in the post office you should get an absolute receipt, which is collateral and which will be acceptable throughout the United States anywhere and at all times.

That is all, Mr. Speaker. I thank you. [Applause.]

Mr. SHOEMAKER. Mr. Speaker, I ask unanimous consent to incorporate in the Record a resolution signed by the city officials in the city of St. Paul asking that home labor be used in the cutting of stone to be utilized in the erection of a new post-office building now under construction in the city of St. Paul.

The SPEAKER. Without objection, the resolution will be incorporated in the Record.

There was no objection.

The resolution is as follows:

CITY OF ST. PAUL,
OFFICE OF THE CITY CLERK.

Council resolution, general form (presented by Commissioner J. H. McDonald)

Whereas the United States of America is about to build a new post-office building in the city of St. Paul; and

Whereas there are available for employment in the city of St. Paul a large number of trained stonecutters who are at present unemployed; and

Whereas it will be of material benefit to the stonecutters and to the city if the stone to be placed in the new structure were to be fabricated in the city of St. Paul, employing residents of said city and of Ramsey County: Therefore be it

Resolved, That we do hereby earnestly request that the United States provide for the fabrication of all stone to be used in the erection of said new post office in St. Paul, and do further request that all stonecutters employed upon the job be residents of St. Paul or Ramsey County; be it further

Resolved, That the city clerk be, and he is hereby, directed to send a copy of this resolution to the Senators and Representatives in Congress from this State and to the Treasury Department.

Adopted by the council March 10, 1933.

Approved March 10, 1933.

WILLIAM MAHONEY, Mayor.

Mr. MONTET. Mr. Speaker, I ask unanimous consent to address the House for 10 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. MONTET. Mr. Speaker, my main purpose in requesting the indulgence of the House at this time is for the purpose of calling attention to certain bills introduced by me on Thursday of last week. Of course, it is no longer necessary for anyone to stand in the well of the House and attempt to point to the seriousness of this depression. The country is well aware of the unfortunate conditions existing in the country today. The only question is: What are we going to do about it? I have a few suggestions I desire to submit to the House, things I believe we can do and that we should do in an effort to save our people in their present difficulties.

Personally, I believe that one of the most necessary steps this Congress should take in order to restore confidence in

our institutions, in our Government, in our banks, is to pass some kind of a bank deposit guaranty law. [Applause.] I know of absolutely nothing that would restore confidence in our banking institutions like a law that would guarantee bank deposits. [Applause.] I feel that it is of primary importance. Nothing will completely restore confidence in our banks like a bank deposit guaranty law.

Of course, we are passing measures at this time which seek more or less to temporarily relieve the situation, but at the same time we must not lose sight of the fact and we must not overlook the proposition that this country, both in the cities and in the country, is overloaded with bonded indebtedness and mortgage indebtedness. Our farmers are unable to pay their mortgages, or the interest due thereon. For the major part, they are all past due. The same thing is true with reference to the citizens residing in the cities, the home owners. Most of them have mortgaged their homes; most of the mortgages are in default. Congress should take some step to make money available to those home owners and those farmers at a cheap rate of interest, to extend throughout a long period of years, in order to refinance mortgages which now exist on both country and city property.

It is my opinion that we should make sufficient funds available to lend money at a rate of interest not to exceed 2 percent so that our farmers will have an opportunity to pay out the mortgages now existing against their farms.

Third, I believe we should take steps to reduce railroad rates. While everything in this country has gone down, while all commodity prices have gone down, railroad rates have gone up by leaps and bounds.

Mr. ALLGOOD. Mr. Speaker, will the gentleman yield?

Mr. MONTET. I yield.

Mr. ALLGOOD. I saw a statement in the paper yesterday to the effect that the Louisville & Nashville Railroad was asking the Public Service Commission of Georgia to give them authority to apply a 2-cent rate, and the Public Service Commission of Georgia refused to do so.

Mr. MONTET. I believe the railroad was taking a step in the right direction to help restore prosperity to this country.

Mr. ALLGOOD. I was wondering why a public-service commission, which is supposed to serve the public, would refuse a request of this kind.

Mr. MONTET. I do not know what their reason was, but I do not believe their action will be conducive to the best interests of this country. There is no doubt in anybody's mind that no matter what we do, if existing freight rates are permitted to obtain we cannot restore prosperity.

Mr. LEE of Missouri. Mr. Speaker, will the gentleman yield?

Mr. MONTET. I yield.

Mr. LEE of Missouri. Has the gentleman ever heard of a public-service commission in any State representing the interests of the people of its State? If so, I wish the gentleman would name the commission.

Mr. KELLER. So do I.

Mr. MONTET. The question probably answers itself. However, I can recall a time when the Louisiana Public Service Commission did function for the best interest of our people.

Mr. LEE of Missouri. All of them ought to be abolished.

Mr. PIERCE. I may say to the gentleman that we have a commission in Oregon that acts in behalf of the people.

Mr. LEE of Missouri. Oregon is a State that has gone Democratic recently. I beg the gentleman's pardon.

Mr. MONTET. If we are really serious in wanting to help the home owners of this country and the farmers who are already overloaded with debt, we have the power and the machinery available to provide them relief.

Mr. DIES. Mr. Speaker, will the gentleman yield?

Mr. MONTET. I yield.

Mr. DIES. Does the gentleman recall how he worked the latter part of the last session, together with Mr. FIESINGER, Mr. CROSS, and others, in an attempt to put more adequate money into circulation backed up by a sufficient metallic reserve, and how the bankers threw their hands up

and said it would ruin the country? Yet now, under the present machinery Congress has set up, there will go out into circulation \$11,000,000,000 of money not backed up by a grain of either silver or gold, but backed up by goods, drafts, and commercial paper.

Mr. MONTET. I well remember the efforts of the gentlemen from Texas [Mr. DIES and Mr. CROSS], Mr. FIESINGER, myself, and others to the end that we might have an expansion of the currency on a real, sound basis. We then advocated the proposition that is now advanced as the solution of our problems. The opposition was headed by the big bankers of this country, who opposed the remonetization of silver because they called that inflation, but now that the banks have closed the prime advocates of real inflation are these same big bankers who were opposed to the expansion of the currency by the use of a real monetary metal on a basis that would allow us still to remain on the gold standard.

I was coming to the proposition that one of the things this Congress should do is to not only assist the farmers of this country but to promote our international business through the remonetization of silver. Silver can be remonetized and still maintain this country on the gold standard. The gentleman from Texas [Mr. CROSS] had such a bill last session and reintroduced it this session. I sincerely hope the Committee on Coinage, Weights, and Measures will favorably report Mr. Cross' bill to the House, and do this in the early future.

Mr. DIES. Does the gentleman believe that should this bill be reported out the leadership of the House will give the House an opportunity to consider and vote upon it?

Mr. MONTET. I cannot answer for the leadership of the House, but I do hope that an opportunity will be granted if and when the bill is reported.

I want to say this for Mr. Cross' bill: While it remonetizes silver, it does not take us off the gold standard, because the bill provides for the issuance of currency against silver up to the point that an ounce of silver is equivalent in value to an ounce of gold. It supplements but maintains the gold standard. It would give us additional money. Not only would it be the best method of accomplishing the rehabilitation of business and industry in this country but it would promote our international trade. The South American countries and Mexico, China, and India are on a silver basis, and, in my opinion, our trade with these countries would increase by leaps and bounds if we were to remonetize silver.

I now wish to briefly refer to certain pending bills. I introduced House Joint Resolution No. 43, also the bill H.R. 1694, and House Joint Resolution No. 45.

House Joint Resolution No. 45 is a constitutional amendment providing that for the purpose of decentralizing wealth the Congress shall have the power to lay and collect taxes on capital, and so forth. It is an amendment to the Constitution which would grant to Congress power at all times to levy a capital tax.

[Here the gavel fell.]

Mr. MONTET. Mr. Speaker, I ask unanimous consent to proceed for 5 additional minutes.

Mr. PATMAN. Mr. Speaker, will the gentleman withhold his request long enough to permit me to submit a unanimous-consent request?

Mr. MONTET. Certainly.

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to extend my remarks and to include therein a resolution I introduced to investigate the Treasury of the United States and the monetary system.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. BLANTON. Mr. Speaker, I make the same request.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. DIES. Mr. Speaker, I make the same request in regard to a speech I made Saturday.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. MONTET. Mr. Speaker, I ask unanimous consent to proceed for 5 additional minutes.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. MONTET. The bill (H.R. 1694) introduced by me is an amendment to the revenue act of 1932, providing for an increase in the income-tax rates in the higher brackets and an increase in inheritance taxes.

In short, this bill, in dealing with the income taxes, makes it impossible for any one individual in this country to earn more than \$1,000,000 per year. The bill seeks to levy a tax of 100 percent on all incomes over \$1,000,000 per year and also to levy an inheritance tax of 100 percent on all inheritances exceeding \$5,000,000.

Both of these bills and the proposed constitutional amendment have in view the decentralization of wealth in this country. Right at this time we are reaping the harvest of the distress that concentrated wealth has heaped upon this country and upon the world. This would not only decentralize wealth but would produce many billions of dollars annually of new revenue for this country, although the main object in mind is the decentralization of wealth. Everyone knows that in the history of the world when wealth has accumulated in just a few hands it has been decentralized, but in the past it has always been decentralized as a result of revolution. I want to do this in an orderly and in a legal way, and I am using this time to call these matters to your attention, so that you may know of the general proposals contained in these various bills.

Mr. FOCHT. Will the gentleman yield for a question?

Mr. MONTET. Yes.

Mr. FOCHT. Is it not a fact that wealth in this country decentralizes itself, because there is no such thing here as entailment of estates?

Mr. MONTET. That is not true, because when we look back at conditions existing in this country, say, 17 years ago, we find that 2 percent of the people of the country owned 59 percent of the wealth of the country and 10 years thereafter 1 percent of the people owned 60 percent of the wealth of the country. I believe this shows that the gentleman's conclusion is bound to be erroneous under our system of government in the United States.

I hope the committees to which these bills have been referred will give them due and early consideration. I hope to see them enacted into law, because the time has come when the people of this country, with warehouses holding surpluses of everything produced in the country, are not going to sit idly by much longer when they see that they have no opportunity to earn enough to provide their daily bread and shelter and clothe their families.

The time has come for action. The people of this country are no longer interested in word descriptions of conditions. Everybody knows what they are. The question is what are we going to do about them, and the suggestions I have given are a few that have come to my mind in the last few months as necessary and beneficial steps toward a solution of our great economic problems, not only in this country but internationally as well.

Mr. GREEN. Will the gentleman yield?

Mr. MONTET. I yield.

Mr. GREEN. I am very much interested in the gentleman's statement and agree with the gentleman that it is not a matter of poverty of money or poverty of produce but is a matter of the distribution of produce. It also is not a matter of our people's being broke, as we might say, but it is a matter of the money's being concentrated in the hands of a few and I look upon the gentleman's suggestions in a sympathetic manner and hope he may get action in this direction.

Mr. MONTET. I thank the gentleman and also hope that the Congress will shortly take some action. [Applause.]

[Here the gavel fell.]

Mr. LAMNECK. Mr. Speaker, I ask unanimous consent to address the House for 10 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. LAMNECK. Mr. Speaker, I want to call your attention to the matter of a huge deficit in the Post Office Department that we ought to eliminate or at least eliminate a great portion of it. I happened to be on the Post Office Committee during the last session and when we talk about economy and balancing the Budget, here is a chance where we can save around \$200,000,000 if we give the matter immediate attention.

Mr. SIROVICH. Will the gentleman yield for a question?

Mr. LAMNECK. I yield.

Mr. SIROVICH. What is the great contributing factor to this \$200,000,000 deficit in the Post Office Department of the Government?

Mr. LAMNECK. My judgment is that the greatest contributing factors are the newspaper and magazines and other publications that are yelling about economy and about cutting down expenses and yet are receiving a dole to the tune of \$102,000,000.

On this very subject I have an editorial here from one of the Washington papers, and I am now quoting:

The country is anxiously awaiting to see what Congress will do in response to President Roosevelt's message. Mr. Roosevelt asked for a broad grant of powers to slash expenditures, but Congress cannot escape its responsibility. The Constitution forbids Congress to delegate its legislative power to the President or anyone else. Congress passed a law under which about \$950,000,000 are paid out to veterans. If extravagant doles to veterans who suffered no injury as a result of their service are to be eliminated from this vast outlay, Congress must repeal or modify the law under which they are paid.

Now, on the question of dole, I want to read you some of these items and I want you to remember them.

On publications that are exempt from zone rates, we lost in the year 1932, ending June 30, \$16,994,000; on daily newspapers we lost \$36,409,000; on newspapers, other than daily, we lost \$11,580,000; on all other publications we lost \$28,703,000; on free publications in counties we lost \$8,550,000.

The total of these items is \$102,236,000, approximately.

Now, as to other services we rendered, on third-class mail we lost \$28,909,000; on parcel post we lost \$32,716,000; on insured mail we lost \$12,185,000; on c.o.d. service we lost \$2,882,000; on special-delivery service we lost \$4,879,000; on money orders we lost \$11,180,000.

Now, gentlemen, is it not about time that we stopped this loss in the Post Office Department—\$206,000,000—when we are cutting salaries and abolishing in some cases useful Government departments? Is it not about time that we were saving a little money by making these special services pay for the cost of the service? If we do that, we will save \$206,000,000 and not have to cut so much off Government expenditures. I hope the Congress and the leaders in the next session will see to it that this terrific loss is not maintained any longer. [Applause.]

Mr. MEAD. Will the gentleman yield?

Mr. LAMNECK. I yield.

Mr. MEAD. I would like to suggest to the gentleman the idea that perhaps a reduction in the first-class letter rate from 3 cents to 2 cents might increase the volume of revenue.

Mr. LAMNECK. I think that is correct, and I think it would do that.

Mr. MEAD. Based on a report by the department last October, using the figures of the current year, they lost 5,000,000 first-class letters, which at the 2-cent rate would mean a million dollars in revenue. That was lost by reason of the increase in the first-class letter mail.

Mr. LAMNECK. I think the gentleman is correct. [Applause.]

Mr. LEE of Missouri. Mr. Speaker, I ask unanimous consent to address the House for 5 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. LEE of Missouri. Mr. Speaker and ladies and gentlemen, I am a new Member, but it tickles me to hear my friend from Louisiana talk about the redistribution of wealth. That is a joke. I am with you in that, but the big interests in this country will never let you do it, because they have more influence with the Congress than you have yourself. They have the influence, they have the telegraph wires, they have the Bell Telephone System, they have everything, and they have the lobby. They always will have it, boys. Do not fool yourselves. You may do the best you can, but you will not succeed. You can talk about doing it, and that is all. We have \$11,000,000,000 coming to us from foreign countries—that we have given to them in interest and principal nearly \$8,000,000,000.

There are nine billion owing and covered by farm mortgages. If we had that money we could loan it to farmers and to laborers and home owners at 2 percent interest. We should loan it by the Government directly and not let the bankers loan it, because they charge from 8 to 10 percent. Let the Government loan it directly. That is what ought to be done. These bankers want the foreign debts canceled so that they can collect their own debts dollar for dollar.

Now, who is going to control Congress? Are the people going to control or are the bankers going to control?

Every platform of each party declares every 4 years against the banking interests. They want to put the profiteers in the penitentiary. Have you ever known of any profiteer being put in the penitentiary?

I served in the Legislature of Missouri, and the house passed my bill—just such a law—but the senate defeated it. We had a public service commission, which cost the taxpayers of my State \$300,000. I introduced a bill to abolish it, and the house passed it unanimously.

I believe there was 1 vote against it, but we passed it practically unanimously. However, the interests had more influence in the Senate than the people had, and we still have that condition. We pay about 3 times as much for gas and 3 times as much for water and 3 times as much for telephone as we ever paid before, and the commission costs us now \$1,100,000 a year, where it only cost \$300,000 before it began collecting so much for the big interests. Of course, it had to have more employees, when it ought never to have been created.

The big interests cried and begged around here for an Interstate Commerce Commission, and they got it, and now some of them want to get rid of it, because the busses are bootlegging all the business away from them. While they are getting an order from the public service commission that they put up here in order to rob the public, the busses are going around and bootlegging their business and grabbing all their profits, and now they are squawking and they want relief. Well, I am in favor of giving them relief as I am a friend of the railroads. I want to help them anyway we can legitimately. They already owe the Government all they are worth, and we may as well take them over and operate them honestly, and take the passes away from the politicians, and if everybody paid his fare, I actually believe, Mr. Speaker, that the railroads could make a living, and instead of paying their presidents \$135,000 a year for doing nothing they could raise the rate on their section men, and at least give them \$1.45 a day, instead of \$1.10 a day.

Mr. CARTER of California. Mr. Speaker, will the gentleman yield?

Mr. LEE of Missouri. Yes.

Mr. CARTER of California. Does the gentleman know of any politicians who are riding on passes?

Mr. LEE of Missouri. Yes; lots of them.

Mr. CARTER of California. Where are they?

Mr. LEE of Missouri. They are in my State. I do not know what your State is. What is your State?

Mr. CARTER of California. California.

Mr. LEE of Missouri. California! The Democrats have not been in long enough, but I assure you the Republicans that are in politics out there ride on them.

Mr. CARTER of California. And I assure the gentleman that they do not.

Mr. LEE of Missouri. They do it in my State, and it is just as good a State as California and a good deal better.

The SPEAKER. The time of the gentleman from Missouri has expired.

Mr. MEAD. Mr. Speaker, I ask unanimous consent to proceed for 5 minutes.

The SPEAKER. Is there objection?

There was no objection.

Mr. MEAD. Mr. Speaker, the very fine speech delivered by my colleague on the Post Office Committee, the gentleman from Ohio [Mr. LAMNECK], has inspired this speech from me. He discussed the advisability of effecting economies in the Post Office Department. He suggested a plan whereby we might eliminate the huge deficit involved in that Department. I also have a plan in mind by which we may effect economies without further reducing the wages of the laborers, the substitutes, the special-delivery messengers, and other underpaid employees in that Department. We passed a bill Saturday which in operation may take 15 percent of the few hundred dollars that a postal laborer may earn next year. If we are going to restore prosperity by reducing underpaid substitutes and laborers in the Post Office Department, we are going to do it with blood money, and that is not the economic philosophy which I stand for, nor is it the economic philosophy which our President stands for. I believe he will repudiate that section of the bill, and I hope when the bill comes back from the Senate that it will have a little humanity in it so that every sympathetic advocate of the rights of labor can give it his support.

That is not the subject I desire to discuss, however. I believe if the Post Office Department was run on a really sound business basis, we could probably save from \$25,000,000 to \$50,000,000 a year, without in any way diminishing the salary of any employee of that Department. I shall start at the beginning of my plan with the establishment of a post office in your town, the acquisition of the site. I want to show you the business acumen of the Federal building department in that connection. Marshall Field & Co., of Chicago, decided some time ago that they would buy a parcel of property in the Loop district for a public mart. They acquired the site at a tremendous expense, and then something happened. Something happened whereby they desired to relinquish the site, and some patriotic, inspired gentlemen immediately decided that it would be a good thing to sell that site to the Post Office Department, which they did. The Government acquired that site at an exorbitant cost. After we purchased the site it was decided that that was not the place to build a post office, and then what was done? We abandoned the site after we had relieved the Marshall Field Co. of what was probably a bad investment. What else? We went over to the Pennsylvania Railroad Co. and bought a site over their railroad tracks, and at huge expense to the Post Office Department. And on that site we are building the Chicago post office. Imagine the loss in transferring the mail to and from that post office from other railroads that enter and depart from the city of Chicago.

ANOTHER ILLUSTRATION OF WASTE

In 1915 the Federal Government acquired a site in the city of Binghamton. The citizens of that city put up \$20,000 to aid the Government in the purchase of that site. The Government paid \$100,000. In 1928 the present administration decided that that was not the proper site, they abandoned it, and went down on the Chenango River bank and decided to tear down a splendid building there, one owned by the Government, leaving idle the other site in which the people had an equity. They wanted to build a post office on the river bank, where no one in that city ever wanted it located. If the building was constructed on the bank of the river it would require an expenditure of \$35,000 for piling, because it is filled-in land. It would be necessary to waterproof the basement, and a substation at an annual expense of \$10,000 per year would have to be maintained near the

other site. All of which would be unnecessary if the proper site was selected in the first place.

The Post Office Committee, however, interfered. We investigated the matter and we ordered the building built on the site in which the people of Binghamton had an equity, which the people of Binghamton unanimously agreed was the place for the post office to be located.

Another case occurred in West New York, N.J., in the district represented by our distinguished colleague, Mr. AUF DER HEIDE. In that case the Building Commission seems to be anxious to buy a site in which the Republican leader of that town is interested, and at an exorbitant price, and in a place where the post office should not be located. The same is true in the city of Towanda, Pa., which district is ably represented by the gentleman from Pennsylvania [Mr. McFADDEN]. The postmaster there, a Republican appointee, condemns the location selected and so does a great many of the people of that city, and yet the Federal Building Commission, ignoring the wishes of the people, ignoring the needs of the Department, intends to build the building where it is not wanted and where its cost will be exorbitant.

Mr. COCHRAN of Missouri. Will the gentleman yield?

Mr. MEAD. I yield.

Mr. COCHRAN of Missouri. Is it not proper, as long as the gentleman mentioned the name of Mr. AUF DER HEIDE, to say that he has used every means at his command to stop the selection of the site which the gentleman complains of?

Mr. MEAD. No man in Congress has been more interested in the welfare and well-being of his people, no man has done more to bring this matter to the attention of the Post Office Department and to the attention of our committee than my distinguished colleague from New Jersey [Mr. AUF DER HEIDE].

Mr. LUNDEEN. Will the gentleman yield?

Mr. MEAD. I yield.

Mr. LUNDEEN. Who was Postmaster General when all this was going on in Chicago?

Mr. MEAD. The Postmaster General who left us on March 4 last.

Mr. BLANTON. Will the gentleman yield?

Mr. MEAD. I yield.

Mr. BLANTON. I think the distinguished gentleman from New York [Mr. MEAD] deserves the commendation and active support of every Member of this House for the good work he is doing. The first fight is to bring back the 2-cent postage. That is what the gentleman has promised us, and I am sure that he will do it. When does the gentleman expect to get that bill up for consideration?

Mr. MEAD. That bill is H.R. 2. We are only waiting for the assembling of the Ways and Means Committee, when we shall wait upon that committee and urge the reporting of that measure; I am sure that bill will receive the support of a majority of this House.

Mr. BLANTON. I am sure the people will be glad to know it. Going along with that ought to be the bill to take the 2-cent tax off of bank checks and to take the tax off of electricity, which is hurting the poor people of the land every day.

Mr. MEAD. The Democratic Party can do nothing better than take the advice of the distinguished gentleman from Texas and eliminate those nuisance taxes which he just mentioned. [Applause.]

Now, leaving sites, we will go to the building of the building itself. We find in investigating the materials approved for the building of post offices that the manufacturers of wooden piling, piling used in the substructures of the building, are restricted to a certain class, to a certain kind of material. What has that to do with the increased cost of our building program? My friends, if it were not for the restrictions limiting the number of bidders in the use of piling for our substructures we would have saved many hundreds of thousands of dollars since we began this major building program.

In the city of Washington, I believe, I am conservative in making the statement that we could build one of the build-

ings at no expense to the Government with the savings we would make if it were not for the restrictions written into the specifications by the Federal Building Commission not only with regard to piling but with regard to other materials used in the building of these splendid buildings we see in the city of Washington.

Mr. LAMNECK. Will the gentleman yield?

Mr. MEAD. I yield.

Mr. LAMNECK. I wish the gentleman would comment at this point on the patented hardwood floors that they use, at great expense.

Mr. MEAD. I am glad the gentleman brought that to my attention. For 150 years we have allowed the mill and lumber people of American widespread opportunity to bid on flooring in post offices, and only within recent years has it been decided by the postal authorities that a certain so-called wood-block flooring made by a few manufacturers and covered by patent rights would be allowed in the work-rooms of our post offices. That has increased the cost of building tremendously, and it has certainly done an injustice to a reputable industry in America. I am glad the gentleman brought that to my attention.

Mr. LAMNECK. Was it not demonstrated before our committee that the patented flooring was not as good as the old flooring, and it cost a great deal more money, and did not the experts so testify?

Mr. MEAD. The experts so testified before our committee and in the strongest language they could command.

Another matter I want to bring to your attention is this: The Post Office Department is one of the largest purchasers of auto trucks in America. They do not advertise for trucks that are in production. They advertise for trucks that are designed by the so-called "technical experts" of the Department.

They call their experts and their technicians to Washington. They design a specially constructed truck, and in many instances they use obsolete parts. They then send a notice to the various manufacturers inviting them to bid on this particular truck. All the manufacturers who desire to bid must, of course, consult their engineering department, because it is not a truck now in production; it might be called an antique. The result of this procedure enables the Post Office Department to eliminate many of the bidders on some technicality. But it costs the Government a tidy sum of money.

This is what actually happened recently: The Studebaker-Pierce-Arrow Co. bid on an order of trucks. Their bid was low. Seven other bids were received on the same order, including bids from International, Mack, White, General Motors, and others.

What happened? Studebaker-Pierce-Arrow was low and lost the order. However, they made the statement before our committee that their truck came within the specifications and they were willing to back that statement with all the resources of their organization. Notwithstanding, the White people, whose bid was thousands of dollars higher in the aggregate than Studebaker, got the order, and every other bidder from top to bottom was eliminated on some technicality; the high bidder was the low bidder when the matter was finally settled.

Mr. COCHRAN of Missouri. Mr. Speaker, will the gentleman yield?

Mr. MEAD. I shall be pleased to.

Mr. COCHRAN of Missouri. Reverting to the foundation work in connection with public buildings, the Government is constructing a new Federal building in St. Louis. When the specifications for the foundation came out they provided for caissons. I went to the Department and urged that they throw it open so that either caissons or piles could be used and let the lowest bidder do the job. In my district is the Smith-Brennan Pile Co., one of the leading pile companies in the country, which makes the finest driven pile in the United States. They were denied a right to bid on that work. The Department said that the engineer and the architect stated that caissons would be necessary, that they would run into water. I did not yield until after many conferences. The

architect was called to Washington. He insisted piles could not be used.

The work is being completed. The caissons have been installed, and in no instance have they run into water. It was a typical pile job, and if piles had been used the Government would have been saved probably \$50,000. The Smith Brennan Pile Co. had driven piles on a monster building a block away from the Government building and was willing to file a bond to complete the job.

Mr. MEAD. The gentleman is no doubt correct. I have no reason to doubt the statement he has made, because similar cases have been reported to our committee time and again.

Let me state further that many of the monumental buildings of the Old World that have stood through the centuries, including the great cathedrals of Italy, Lourdes, Westminster, and the capitol buildings of Europe, were built upon wooden-pile foundations, yet here in America where we have a more perfect product, one treated by the most modern methods, we find our manufacturers barred by our Government and the specifications so written that only the favored few can participate in the bidding, to the detriment of the country and to the great loss of our Treasury.

Restrict the bidding seems to be the practice of our Building Commission.

Mr. COCHRAN of Missouri. Mr. Speaker, will the gentleman yield further?

Mr. MEAD. Certainly.

Mr. COCHRAN of Missouri. In support of the gentleman's statement, I may say that I know that the specifications for the foundations of every building in the Mall that is now being constructed were so worded that driven piles were practically outlawed and nothing but cast-in-place piles used. This work has cost the Government of the United States hundreds of thousands of dollars more than it should have cost because more than 50,000 piles were used on this work. The restrictions placed on driven piles prevented the makers from bidding. I also filed complaints on those specifications.

Mr. MEAD. The gentleman is correct in his statement.

Mr. LAMNECK. Mr. Speaker, will the gentleman yield?

Mr. MEAD. I yield.

Mr. LAMNECK. Going back to the truck question, industry throughout the United States uses standard trucks, either Packard, Ford, Chevrolet, or some other truck of standard manufacture.

Mr. MEAD. That is correct.

Mr. LAMNECK. Is there any reason in the world why the Post Office Department could not use a standard truck for hauling the mail?

Mr. MEAD. If the Post Office Department would follow the example of private business they would buy just such a truck; and in addition to the reduction which would result in the cost to the Government, the truck could be put back into service without delay if it broke down. Under existing circumstances if one of our trucks breaks down it is necessary to send to Indiana, Michigan, or some other State for an obsolete part before it can be put back into service.

Mr. Speaker, I could continue at length to discuss similar cases with regard to the acquisition of sites, the costly practice of barring wood piling, the favoritism shown in the matter of patented wood-block flooring, the selection of special trim and mill supplies, the aluminum and bronze sash and ornamentation, all of which impose a costly burden on the taxpayers of the country.

Mr. BLANTON. Mr. Speaker, will the gentleman yield?

Mr. MEAD. I yield.

Mr. BLANTON. Let me call the gentleman's attention to a telegram I got this morning from Hon. D. A. Banteen, manager of the West Texas Chamber of Commerce, which is one of the largest organizations in Texas, which reads as follows:

Informed that specifications for post office at Big Springs, Tex., provide for Cordova cream stone exclusively. If this be so, Lueders limestone, quarried at Lueders, Jones County, can not compete. Cordova is quarried near Austin. We must have more open specifications to compete and protect west Texas industry.

The above is just one of many, many complaints I have had respecting exclusive specifications prepared by this Department, concerning many public buildings scattered over Texas. It is not fair that specifications are drawn so as to exclude legitimate competition. When competition is excluded, the Government always gets the worst of it. There are three big quarries operating at Lueders, Tex., and they produce some of the finest limestone in the South. Several beautiful residences in Dallas, Tex., are built of it.

Big Spring, in the district of my colleague [Mr. THOMASON], is where they are building a new post-office building. It is not fair to his part of Texas that the specifications require a certain stone to be used that comes from central-south Texas, about 500 miles by railroad from Big Spring, and for same to exclude his own west Texas products.

Mr. LAMNECK. Is it in KLEBERG's district?

Mr. BLANTON. No; this Cordova quarry is not in either of our territories, where this post-office building is being constructed, and that is what we are kicking about.

Right in the vicinity of this building are the great Lueders quarries of the finest stone in the world, yet the specifications eliminated these quarries from even bidding on the stone. It is an outrage! I am glad to hear the gentleman from New York [Mr. MEAD] make this speech. He is in a position to stop all this injustice. Such things ought to stop. We ought not to stand for them any longer.

Mr. MEAD. I thank the gentleman for his contribution.

Mr. LAMNECK. Mr. Speaker, will the gentleman yield?

Mr. MEAD. I shall be pleased to.

Mr. LAMNECK. On the 17th of February a contract was let for a post-office building in my home city of Columbus, Ohio. The specifications require coal-firing equipment for the boilers that absolutely eliminates all the coal produced in Ohio. A fusing temperature is specified that will permit the use of coal only from some other State, not Ohio. Our producers in Ohio, and our miners who are out of work, cannot bid for this business.

Mr. MEAD. I appreciate the statement made by the gentleman from Ohio; and, as I said a moment ago, I could go along and discuss with you sites, piling, flooring, trim—and, by the way, we are probably not the only department that has been trimmed with aluminum.

Mr. PATMAN. Will the gentleman yield?

Mr. MEAD. I shall be happy to yield to the gentleman.

Mr. PATMAN. I hope the gentleman will make it plain that the Secretary of the Treasury hired all the architects to draw the plans for all these public buildings, that he passed upon all these plans, and that he issued and published in his office in a Government building in Washington a publication which encouraged these architects to use aluminum and to prescribe aluminum in the construction of public buildings, and that he himself owned a monopoly of aluminum in America, and that the volume of aluminum used in public buildings increased thousands of percent while he was Secretary of the Treasury, and that there is no competition in bids that are offered for the furnishing of aluminum to be used in public buildings.

Mr. MEAD. Not only did he succeed in eliminating competition from within the country by reason of these specifications, but by reason of his power he also kept competition from without this country from coming in and competing with him. In my judgment, it was a case of favoritism from beginning to end, and it certainly helped very materially in building up the Mellon fortunes.

Mr. PATMAN. Would the gentleman also object to having it made plain that this was one of the reasons he fled to England at the time he did?

Mr. BLANTON. Will the gentleman yield?

Mr. MEAD. I yield to the gentleman.

Mr. BLANTON. I am sure my friend from Texas [Mr. PATMAN] wants "to give the devil his due", and he ought to state at this time in behalf of the gentleman who is sojourning in England that through patriotism it is reported that since the President's proclamation he has lately released \$5,000,000 of gold that he had theretofore earmarked for shipment to Europe and has allowed it to remain

in this country to help us out in our emergency. I am sure the gentleman ought to mention this. [Laughter.]

Mr. MEAD. There are two more subjects with regard to the activities of the Post Office Department, and particularly the activities of the last Postmaster General, that I should like to bring to your attention. They are the air mail and the ocean mail subsidies.

A few years ago we passed the Jones-White Merchant Marine Act. We passed this bill in order to rehabilitate the American merchant marine. At that time the Postmaster General informed us that an appropriation of \$14,000,000 annually would be the maximum required to put this legislation into operation and to continue it in the years to come. He also said that as a result of the help it would be to American shipping, the revenues resulting from the use of faster ships would reduce this amount so that it would ultimately not cost us \$14,000,000 a year.

You may also recall that the day he left office a contract was issued, but left unsigned, to subsidize the International Mercantile Marine, a contract that would give a line operating between Philadelphia and European ports a subsidy of \$1,000,000 a year for 10 years. In other words, he was willing that we should reach into the Treasury for \$10,000,000 to help out this line, which, I understand, is closely associated with the Morgan interests, but it was not put over fast enough. The Senate passed a resolution calling the attention of the President and the Government and the people to this expensive plan, with the result that the contract was left for the new Postmaster General to sign. The new Postmaster General, however, can be depended upon to investigate the contract before it receives his signature.

Not long ago another line was subsidized to carry the mail between Gulf ports and the Orient. If you wanted a letter delivered in the Orient by way of the Gulf of Mexico and the Panama Canal, your letter would arrive just 2 months later than a letter dropped in the mail and allowed to take its natural course, which would, of course, take it to San Francisco and to the Orient by way of one of the lines leaving that city. It was just a desire to subsidize another line, to increase the cost to the Treasury, to show favoritism—nothing but favoritism—with the result that today, instead of the amount stated by Post Office officials, that this subsidy at no time would amount to more than \$14,000,000 annually, it now amounts to \$25,000,000, or approximately that amount.

What else have they done? One morning a few years ago the Postmaster General came before the Post Office Committee and said, "I want an air mail bill passed, and I want it passed today. I want you to call the members of the Post Office Committee into session immediately."

That morning my distinguished predecessor on the Post Office Committee called a meeting of the subcommittee and in the presence of the Postmaster General approved the so-called "Watres measure." The Postmaster General insisted that the chairman of the committee, without written notice, immediately call the full committee into session, and the then chairman of the committee, acknowledging the authority of the bureaucrat, called the full committee into session, and on the same day the full committee reported the bill.

I took the matter up with the leadership of this House, and I filed a minority report against the measure. One of the members of our committee brought it to the attention of the Comptroller, who also opposed its passage. The distinguished gentleman from Indiana, of lamented memory, who was then the chairman of the Appropriations Committee, a man whose demise a few days ago was a shock to the Members of the Congress, denounced the legislation, and said he was sick and tired of passing bills enabling departments and bureaus of the Government to spend money without check or balance, without any other authority save their own.

The leadership, Republicans and Democrats on both sides of the aisle, objected to the bill, and our committee chairman was told to take the bill off the calendar.

It came back to our committee and was modified and was then reported and passed by the House and the Senate. We thought that the restrictions we put in the legislation would curb the activities of the Postmaster General. Did they? No; they did not. The Postmaster General has been, in my judgment, illegally administering the Watres Act ever since it became a law. He has in a high-handed way not only extended the air mail lines all over the United States without advertising for bids, but he has been forcing operators out of business while favoring others who have benefited greatly at Government expense. This czar and dictator of the industry has used his power to destroy lines, to build up favored lines. He was building a monopoly in the air mail, and that, in my judgment, contributed largely to the action taken by the Senate when that body wiped out the entire air mail appropriation. I believe that in the administration of the air mail and the ocean mail subsidies millions of dollars of the taxpayer's money have been squandered indiscriminately.

I know that if restrictions in Federal building materials and supplies are eliminated, millions can be saved; if we buy sites where post offices should be located, and without so much secrecy, much more can be saved; if we put air mail and ocean mail contracts on a real competitive or business-like basis, we will save many millions of dollars of the taxpayers' money now being squandered throughout the United States. [Applause.]

Mr. LANZETTA. Will the gentleman yield?

Mr. MEAD. Yes.

Mr. LANZETTA. Was not there something of the kind in relation to the New York central post office?

Mr. MEAD. Our committee so far has only investigated the Chicago, Binghamton, West New York, and possibly one other site. We never had an opportunity to go into the many purchases made recently by the Federal Building Commission. But I will say that we did not go into any place, we did not look into any subject, but what we found discrimination, favoritism, and waste. Republicans and Democrats alike have denounced the action taken by the Department in these cases.

It is all right to pass economy bills; it is all right to make the poor laborer, the sub, and the special-delivery messenger, who does not get \$1,000 annually—it is all right to subject him to a cut of 15 percent, but what about the waste and extravagance practiced by the administrative heads of these departments?

Why waste millions in buildings and save a few dollars at the expense of the poorly paid employee? I hope the new administration will not continue the air mail or the ocean mail policy of the past administration. I am sure these air mail extensions, extensions that weaken the air mail lines, extensions that some operators opposed before accepting, will be eliminated. Most of these extensions were given out without bids, without inviting air-transport operators to figure on them. They should be eliminated from the air mail map, and the air mail service should be put on a sound business basis.

Mr. SABATH. Mr. Speaker, will the gentleman yield?

Mr. MEAD. Yes; I yield.

Mr. SABATH. I did not have the pleasure of listening to the gentleman when he began his address. Has the gentleman called attention to the fact that most of these additional lines that have been granted in the last few months have been granted to Republicans as a reward for services which they have rendered the Republican Party, many times not directly, but indirectly?

Mr. MEAD. We have not inquired into the political affiliations of any of the air mail contractors, but favoritism has been shown.

Mr. SABATH. Such is the fact.

Mr. MEAD. The Postmaster General gave out many extensions in the last few days of his administration. It occurred to me that it was not a courteous act, it was not right from the standpoint of good sportsmanship, it was not right, in my judgment, from the standpoint of a good party

man. But Mr. Brown could not be stopped. It was embarrassing to the incoming administration. He was saddling them with obligations that would certainly develop a deficit. Unless certain lines are canceled, additional funds will be required before the end of the present fiscal year. I know of no other department head that acted as did the head of the Post Office Department. His actions were unwarranted, unjustified, and, in my judgment, very discourteous.

Mr. LOZIER. Mr. Speaker, will the gentleman yield?

Mr. MEAD. Yes; I yield.

Mr. LOZIER. I call the gentleman's attention to the fact that if you were to drop down in Vancouver, British Columbia, at this minute, you would probably find these subsidized ships being loaded with Canadian merchandise and lumber for foreign ports. In other words, these subsidized ships, instead of carrying American products, while enjoying the subsidy of the Government, derive most of their support from carrying the commerce of Canada and other nations in active competition with the products of America.

Mr. MEAD. I appreciate the interruption. You verify the position I have taken. I was just trying to point out the lack of business administration in our Post Office Department. Look at the record and you will find in it statements from the department heads assuring us that the ocean mail subsidy would not cost more than \$14,000,000 annually, and yet today it has reached the sum of approximately \$25,000,000. Certainly there must be some discriminations, as the gentleman pointed out.

Mr. COCHRAN of Missouri. Mr. Speaker, will the gentleman yield?

Mr. MEAD. Yes; I yield.

Mr. COCHRAN of Missouri. Are the contracts so binding that the Congress can not nullify them?

Mr. MEAD. The Postmaster General, appearing before the Committee on Appropriations, informed that committee that if they reduced the appropriations it would be necessary for him to dismiss or furlough employees, because these contracts were binding. However, I believe many of them can be canceled.

The SPEAKER. The time of the gentleman from New York has expired.

COMMITTEE ON RULES

Mr. DOUGHTON. Mr. Speaker, I offer the following resolution, which I send to the desk.

The Clerk read as follows:

House Resolution 41

Resolved, That the following Members be, and they are hereby, elected members of the Standing Committee of the House on Rules, to wit: Edward W. Pou, chairman, North Carolina; William B. Bankhead, Alabama; John J. O'Connor, New York; Adolph J. Sabath, Illinois; Arthur H. Greenwood, Indiana; E. E. Cox, Georgia; William J. Driver, Arkansas; Howard W. Smith, Virginia.

The SPEAKER. The question is on agreeing to the resolution.

The resolution was agreed to.

Mr. TABER. Mr. Speaker, at the request of the minority leader I offer the following resolution, which I send to the desk.

The Clerk read as follows:

House Resolution 42

Resolved, That the following Members be, and they are hereby, elected as minority members of the Standing Committee on Rules of the House of Representatives, to wit: Harry C. Ransley, Pennsylvania; Joseph W. Martin, Jr., Massachusetts; Carl E. Mapes, Michigan; and Frederick R. Lehlbach, New Jersey.

The SPEAKER. The question is on agreeing to the resolution.

The resolution was agreed to.

Mr. KLEBERG. Mr. Speaker, I ask unanimous consent to address the House out of order, for three minutes.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. KLEBERG. Mr. Speaker, under present unprecedented conditions confronting this country, no Member of this House should fail to commend to this body and to the

country as a whole, patriotic, constructive action evidenced in any section of this country. Today we are confronted with conditions which require cooperation and direct evidence of courage by every citizen in every town in our land.

I take this occasion to commend the entire citizenship of the little town of Boerne, in the northern end of my district, for a public statement which was acted upon by them, and which on this occasion I will read to the House and to the country:

As an expression of confidence in the Government of the United States, and because of our belief in the brightness of the future, and that a glorious new day is about to dawn for all our people, we request that the city of Boerne put out gala attire and that the flags be displayed and kept flying until after the present emergency. We believe that "God is in His heaven, that the Government at Washington still lives," that the American people cannot be beaten, and we beg every citizen to greet his fellow with a smile and to be all for Boerne and for America.

R. L. HICKMAN, Mayor.
(For city of Boerne.)
W. JANENSCH, President.
D. K. LANSING, Manager.
(For Chamber of Commerce.)
H. O. ADLER, Scoutmaster.
(For Boy Scouts of America.)
H. A. PALMIE, Commander.
(For American Legion.)
M. J. LEHMAN, Judge.
PAUL HOLEKAMP, Assessor.
(For county of Kendall.)
W. G. DAVIS.
(For press.)
H. R. HARZ.
FRED ZOELLER.
HENRY FABRA.
(For merchants.)

Mr. BLANTON. Will the gentleman yield?

Mr. KLEBERG. I yield.

Mr. BLANTON. I once had the pleasure years ago of spending a month's vacation with my family at Boerne. Some of the finest people in the world live there. Its climate is delightful. Just out of the town is the old family homestead of a former great benefactor to suffering humanity—Doctor Herff—one of the greatest physicians ever known to San Antonio and the South. I am glad to hear such patriotic expressions coming from that city, from which none other could emanate.

Mr. KLEBERG. May I say to my distinguished colleague from Texas that old Dr. Herff was my family's friend and my friend until he passed away. His son now is considered one of our leading physicians. In fact, he is one of the leading surgeons of the South, and the gentleman who wrote this note to me—Mr. Lansing—is also a friend of the Herffs and a friend of mine. He wrote this note:

Greetings from your people of Boerne. Business is better than usual, even though we do have to trade postal cards for stamps. The flags are flying, and Boerne is making holiday and will continue to do so till that time comes. Show the fellows from the North and East what your people are doing. The inclosed poster tells the story.

The SPEAKER. The time of the gentleman from Texas has expired.

ADJOURNMENT

Mr. BYRNS. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 3 o'clock and 2 minutes p.m.) the House adjourned until tomorrow, Tuesday, March 14, 1933, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

3. Under clause 2 of rule XXIV, a letter from the secretary of the National Institute of Arts and Letters, transmitting a report of the activities of the National Institute of Arts and Letters for the year 1932, was taken from the Speaker's table and referred to the Committee on the Library.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. PRALL: A bill (H.R. 3204) authorizing the Interboro Bridge Co., its successors and assigns, to construct, maintain, and operate a bridge across New York Bay between Brooklyn and Staten Island; to the Committee on Interstate and Foreign Commerce.

By Mr. MARTIN of Colorado: A bill (H.R. 3205) authorizing the construction of a drainage channel in the closed basin of the San Luis Valley in Colorado, authorizing investigations of reservoir sites, and for other purposes; to the Committee on Irrigation and Reclamation.

Also, a bill (H.R. 3206) for the exchange of lands adjacent to national forests in Colorado; to the Committee on the Public Lands.

Also, a bill (H.R. 3207) to authorize for the reconditioning of buildings at the United States Veterans' Administration hospital, Fort Lyon, Colo., and to authorize appropriations therefor; to the Committee on World War Veterans' Legislation.

By Mr. SWANK: A bill (H.R. 3208) to abolish the Federal Farm Board, to secure to the farmer a price for agricultural products at least equal to the cost of production thereof, and for other purposes; to the Committee on Agriculture.

By Mr. HASTINGS: A bill (H.R. 3209) to create Federal rural mortgage land banks, to provide for the supervision thereof, and for other purposes; to the Committee on Banking and Currency.

By Mr. CARPENTER of Nebraska: A bill (H.R. 3210) to provide for the recalling of \$10,000,000,000 of tax-free Government bonds and the issuance of United States currency in lieu thereof; to the Committee on Ways and Means.

By Mr. BURKE of California: A bill (H.R. 3211) to increase the authority of the Reconstruction Finance Corporation to make loans for the financing of projects to repair damage resulting from earthquake, fire, flood, or other catastrophe; to the Committee on Banking and Currency.

By Mr. ROMJUE: A bill (H.R. 3212) to repeal the tax on bank checks; to the Committee on Ways and Means.

By Mr. CELLER (by request): A bill (H.R. 3213) to amend the act entitled "An act for the protection of persons furnishing materials and labor for the construction of public works", approved August 13, 1894, as amended by act approved February 24, 1905; to the Committee on the Judiciary.

By Mr. FOSS: A bill (H.R. 3214) to compensate the Post Office Department for the extra work caused by the payment of money orders at offices other than those on which the orders are drawn; to the Committee on the Post Office and Post Roads.

Also, a bill (H.R. 3215) to provide for weekly pay days for postal employees; to the Committee on the Post Office and Post Roads.

By Mr. SANDERS: A bill (H.R. 3216) to make husband and wife of the accused competent to testify on behalf of the accused in the United States and Territorial courts; to the Committee on the Judiciary.

By Mr. GOSS: A bill (H.R. 3217) to require contractors on public-building projects to name their subcontractors, material men, and supply men, and for other purposes; to the Committee on Expenditures in the Executive Departments.

By Mr. McCORMACK: A bill (H.R. 3218) to provide revenue by the taxation of certain nonintoxicating liquor, and for other purposes; to the Committee on Ways and Means.

By Mr. CULLEN: A bill (H.R. 3219) to provide revenue by the taxation of certain nonintoxicating liquor, and for other purposes; to the Committee on Ways and Means.

By Mr. LEA of California: A bill (H.R. 3220) to provide revenue by increasing taxes on certain nonintoxicating vinous liquors and to remove the limitation of the prohibition laws upon their manufacture, transportation, and sale in certain cases; to the Committee on Ways and Means.

By Mr. CARTWRIGHT: A bill (H.R. 3221) to amend the World War Adjusted Compensation Act, as amended; to the Committee on Ways and Means.

By Mr. CARPENTER of Nebraska: A bill (H.R. 3222) authorizing loans by the Reconstruction Finance Corpora-

tion to aid in refinancing obligations of drainage districts, levee districts, irrigation districts, and similar districts, and for other purposes; to the Committee on Banking and Currency.

By Mr. GLOVER: A bill (H.R. 3223) for the purchase of a site and the erection of a public building at Benton, Saline County, Ark.; to the Committee on Public Buildings and Grounds.

Also, a bill (H.R. 3224) for the purchase of a site and the erection of a public building at Malvern, Hot Springs County, Ark.; to the Committee on Public Buildings and Grounds.

Also, a bill (H.R. 3225) to provide for the relief of farmers by making loans on lands now used for agricultural purposes for the purpose of redeeming said lands from now-existing mortgages, and for other purposes; to the Committee on Ways and Means.

Also, a bill (H.R. 3226) for the purchase of a site and the erection of a public building at England, Lonoke County, Ark.; to the Committee on Public Buildings and Grounds.

Also, a bill (H.R. 3227) for the purchase of a site and the erection of a public building at De Witt, Arkansas County, Ark.; to the Committee on Public Buildings and Grounds.

Also, a bill (H.R. 3228) for the purchase of a site and the erection of a public building at Monticello, Drew County, Ark.; to the Committee on Public Buildings and Grounds.

Also, a bill (H.R. 3229) for the purchase of a site and the erection of a public building at Rison, Cleveland County, Ark.; to the Committee on Public Buildings and Grounds.

Also, a bill (H.R. 3230) for the purchase of a site and the erection of a public building at Sheridan, Grant County, Ark.; to the Committee on Public Buildings and Grounds.

Also, a bill (H.R. 3231) for the purchase of a site and the erection of a public building at Star City, Lincoln County, Ark.; to the Committee on Public Buildings and Grounds.

Also, a bill (H.R. 3232) for the purchase of a site and the erection of a public building at McGehee, Desha County, Ark.; to the Committee on Public Buildings and Grounds.

Also, a bill (H.R. 3233) declaring a moratorium of 5 years on all mortgages held by the Federal land banks of the United States; to the Committee on Banking and Currency.

Also, a bill (H.R. 3234) for the purchase of a site and the erection of a public building at Lonoke, Lonoke County, Ark.; to the Committee on Public Buildings and Grounds.

By Mr. CARPENTER of Nebraska: A bill (H.R. 3235) to abolish the Federal Farm Board and to authorize the Secretary of Agriculture to take over some of its functions and wind up its affairs; to the Committee on Agriculture.

By Mr. McSWAIN: Joint resolution (H.J.Res. 76) proposing a new interest rate on bonds and bills of credit; to the Committee on Ways and Means.

By Mr. CONNERY: Joint resolution (H.J.Res. 77) to reduce exorbitant interest rates paid on Government bonds with resultant savings of \$175,000,000 annually; to the Committee on Ways and Means.

By Mr. SWANK: Joint resolution (H.J.Res. 78) proposing an amendment to the Constitution of the United States reducing the Membership of the House of Representatives; to the Committee on Election of President, Vice President, and Representatives in Congress.

By Mr. RANKIN: Joint resolution (H.J.Res. 79) to improve the navigability and to provide for the flood control of the Tennessee River; to provide for reforestation and the proper use of marginal lands in the Tennessee Valley; to provide for the agricultural and industrial development of said valley; to provide for the national defense by the creation of a corporation for the operation of Government properties at and near Muscle Shoals in the State of Alabama; and for other purposes; to the Committee on Military Affairs.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

Memorial of the Legislature of the State of Oregon, memorializing Congress respecting improvements of the St. Lawrence River; to the Committee on Interstate and Foreign Commerce.

Memorial of the Legislature of the State of Montana, memorializing Congress relative to suspension of payments and loans to the reclamation funds of irrigation projects; to the Committee on Irrigation and Reclamation.

Memorial of the Legislature of the State of Nevada, memorializing Congress to enact Senate bill No. 3606 of the Seventy-second Congress; to the Committee on Coinage, Weights, and Measures.

Memorial of the Legislature of the State of Nevada, memorializing Congress to enact the so-called "Wheeler bill"; to the Committee on Coinage, Weights, and Measures.

Memorial of the Legislature of the State of New York, memorializing Congress relative to banking emergency; to the Committee on Banking and Currency.

Memorial of the Legislature of the State of Colorado, memorializing Congress to enact S. 1197 of the Seventy-second Congress; to the Committee on Banking and Currency.

Memorial of the Legislature of the State of Nevada, requesting Congress and the President to accept silver payment from Great Britain; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ADAMS: A bill (H.R. 3236) for the relief of A. Randolph Holladay; to the Committee on Claims.

By Mr. BOILEAU: A bill (H.R. 3237) granting an increase of pension to Sarah Jane Bump; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3238) granting a pension to Elizabeth Ellen Barker; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3239) granting a pension to Sarah A. De Gross; to the Committee on Invalid Pensions.

By Mr. CHAPMAN: A bill (H.R. 3240) granting a pension to Brooklyn Hodges; to the Committee on Pensions.

By Mr. COCHRAN of Missouri: A bill (H.R. 3241) for the relief of Julius Wurzbarger; to the Committee on Military Affairs.

By Mr. DUNCAN of Missouri: A bill (H.R. 3242) granting an increase of pension to Mary E. Redman; to the Committee on Invalid Pensions.

By Mr. DURGAN of Indiana: A bill (H.R. 3243) for the relief of Harry E. Good, administrator de bonis non of the estate of Ephraim N. Good, deceased; to the Committee on Claims.

By Mr. FORD: A bill (H.R. 3244) granting a pension to Bessie Baldwin; to the Committee on Pensions.

Also, a bill (H.R. 3245) for the relief of Charles G. Lamert; to the Committee on Military Affairs.

Also, a bill (H.R. 3246) granting a pension to Susan McKay Young; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3247) granting a pension to Marie L. Mallory; to the Committee on Pensions.

Also, a bill (H.R. 3248) for the relief of Cecil Evans; to the Committee on Military Affairs.

Also, a bill (H.R. 3249) granting an increase of pension to Laura M. Davis; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3250) granting a pension to Carrie D. Stuter; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3251) granting a pension to Franklin Edwin Williams; to the Committee on Pensions.

By Mr. FOSS: A bill (H.R. 3252) granting a pension to Florence G. Coombs; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3253) granting a pension to Abbie E. Rhoades; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3254) granting a pension to Charles F. Barber; to the Committee on Pensions.

Also, a bill (H.R. 3255) granting a pension to Catherine T. McNamara; to the Committee on Pensions.

Also, a bill (H.R. 3256) granting a pension to Mary Rabbitt; to the Committee on Pensions.

Also, a bill (H.R. 3257) granting a pension to Margaret Bartlett; to the Committee on Pensions.

Also, a bill (H.R. 3258) for the relief of Louis Miner; to the Committee on Military Affairs.

Also, a bill (H.R. 3259) for the relief of Wilfred Laurent; to the Committee on Military Affairs.

Also, a bill (H.R. 3260) for the relief of John Inkinen; to the Committee on Claims.

Also, a bill (H.R. 3261) for the relief of Hector J. Langelier; to the Committee on Military Affairs.

Also, a bill (H.R. 3262) for the relief of Everett P. Sheridan and Exilda Sheridan; to the Committee on Claims.

Also, a bill (H.R. 3263) for the relief of Emil Siegmund; to the Committee on Claims.

Also, a bill (H.R. 3264) granting an increase of pension to Mart T. O'Malley; to the Committee on Pensions.

Also, a bill (H.R. 3265) for the relief of Bartholomew Moynahan; to the Committee on the Civil Service.

By Mr. GIBSON: A bill (H.R. 3266) granting an increase of pension to Eva S. Manney; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3267) granting an increase of pension to Phoebe S. Decker; to the Committee on Invalid Pensions.

By Mr. GOODWIN: A bill (H.R. 3268) granting an increase of pension to Georgianna Barker; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3269) granting an increase of pension to Mary J. White; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3270) granting an increase of pension to Anna Keener; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3271) granting an increase of pension to Cora E. Wadsworth; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3272) granting a pension to John Schoonmaker; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3273) granting a pension to Lottie Smith; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3274) granting a pension to Margaret Mary O'Brien; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3275) granting an increase of pension to Phinia E. Howard; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3276) granting an increase of pension to Catherine Wymys; to the Committee on Invalid Pensions.

By Mr. HENNEY: A bill (H.R. 3277) for the relief of George H. Stahl; to the Committee on Military Affairs.

Also, a bill (H.R. 3278) granting a pension to Anna Lehner; to the Committee on Invalid Pensions.

By Mr. HOEPEL: A bill (H.R. 3279) granting a pension to Anthony W. McMoyler; to the Committee on Pensions.

By Mr. HUDDLESTON: A bill (H.R. 3280) granting a pension to Mollie G. Tomlinson; to the Committee on Pensions.

Also, a bill (H.R. 3281) granting a pension to Charlotte Dean; to the Committee on Pensions.

Also, a bill (H.R. 3282) granting a pension to Jack Page; to the Committee on Pensions.

Also, a bill (H.R. 3283) granting a pension to Mary Jane Hunter; to the Committee on Pensions.

Also, a bill (H.R. 3284) granting a pension to Vallie M. Lawrence; to the Committee on Pensions.

Also, a bill (H.R. 3285) granting a pension to Bessie L. H. Ricks; to the Committee on Pensions.

Also, a bill (H.R. 3286) granting a pension to Mary Ware; to the Committee on Pensions.

Also, a bill (H.R. 3287) granting a pension to Lether Hendrix; to the Committee on Pensions.

Also, a bill (H.R. 3288) granting a pension to Nellie Meigs; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3289) granting a pension to Frances E. Baldwin; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3290) for the relief of William C. Reese; to the Committee on Claims.

Also, a bill (H.R. 3291) for the relief of Jack Page; to the Committee on Military Affairs.

By Mr. KOPPLEMANN: A bill (H.R. 3292) for the relief of Andrew M. Jeffrey; to the Committee on Military Affairs.

By Mr. LANHAM: A bill (H.R. 3293) to provide for the settlement of damage claims arising from the construction of the Petrolia-Fort Worth gas-pipe line; to the Committee on Claims.

By Mr. McREYNOLDS: A bill (H.R. 3294) for the relief of Elisha M. Levan; to the Committee on Military Affairs.

Also, a bill (H.R. 3295) for the relief of the estate of White B. Miller; to the Committee on Claims.

Also, a bill (H.R. 3296) for the relief of Carl F. Castleberry; to the Committee on Claims.

Also, a bill (H.R. 3297) granting a pension to Bell D. Qualls; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3298) granting a pension to Christine Francis Lewis; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3299) granting a pension to Martha Wyatt; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3300) for the relief of George B. Beaver; to the Committee on Claims.

Also, a bill (H.R. 3301) granting a pension to Editha Smith; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3302) for the relief of John Merrill; to the Committee on Claims.

By Mr. MARTIN of Colorado: A bill (H.R. 3303) granting a pension to Minnie Lea Crump; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3304) for the relief of Gale A. Lee; to the Committee on Claims.

Also, a bill (H.R. 3305) granting an increase of pension to Ellen Thompson; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3306) granting a pension to Emma Roberts; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3307) granting an increase of pension to Clara Elenor Courtney; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3308) granting an increase of pension to Ellen Thompson; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3309) granting an increase of pension to Emma G. Millis; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3310) granting an increase of pension to Edeluvina G. Romero; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3311) granting an increase of pension to Elizabeth Blades; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3312) granting an increase of pension to Elizabeth R. Backus; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3313) granting an increase of pension to Sarah E. Pile; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3314) granting an increase of pension to Laura J. Pedrick; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3315) granting an increase of pension to Julia A. Hofficker; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3316) granting a pension to Clara E. Stanton; to the Committee on Pensions.

Also, a bill (H.R. 3317) granting a pension to Robert C. Sutherland, Jr.; to the Committee on Pensions.

By Mr. O'BRIEN: A bill (H.R. 3318) to reimburse Earl V. Larkin for injuries sustained by the accidental discharge of a pistol in the hands of a soldier in the United States Army; to the Committee on Claims.

By Mr. PERKINS: A bill (H.R. 3319) granting an increase of pension to Mary H. Thompson; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3320) granting an increase of pension to Henrietta C. Scofield; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3321) granting an increase of pension to Mary Jane DeHart; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3322) granting an increase of pension to Louisa Conklin; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3323) granting an increase of pension to Amanda Hoppock; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3324) granting an increase of pension to Lydia Springer; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3325) granting an increase of pension to Catherine E. DeWolfe; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3326) granting a pension to Mary S. Thompson; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3327) granting a pension to Sadie Smith; to the Committee on Invalid Pensions.

By Mr. PEYSER: A bill (H.R. 3328) for the relief of owners of cargo aboard the steamship *Boxley*; to the Committee on Claims.

By Mr. SMITH of West Virginia: A bill (H.R. 3329) for the relief of Willie A. Rice; to the Committee on Military Affairs.

Also, a bill (H.R. 3330) granting a pension to Julian D. Haynes; to the Committee on Pensions.

By Mr. SNYDER: A bill (H.R. 3331) for the relief of Irene Dean; to the Committee on Claims.

By Mr. STALKER: A bill (H.R. 3332) granting a pension to Earl F. White; to the Committee on Pensions.

Also, a bill (H.R. 3333) for the relief of George N. Boyce; to the Committee on Military Affairs.

By Mr. WILCOX: A bill (H.R. 3334) for the relief of certain purchasers of lots in Harding townsite, Fla.; to the Committee on the Public Lands.

Also, a bill (H.R. 3335) granting a pension to Mabel L. Cook; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3336) granting a pension to Agnes Holbrook; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3337) granting a pension to Minnie F. Leach; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3338) granting a pension to Susie E. Payne; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3339) granting a pension to Mattie St. Clair; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3340) granting a pension to Elizabeth Smith; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

40. By Mr. BLOOM: Petition of the New York State Economic Council, urging that all necessary power be given to the President of the United States to enable him to reduce the expenditures of the Federal Government to the utmost extent possible; to the Committee on Economy.

41. By Mr. DELANEY: Petition of the American Fruit and Vegetable Shippers' Association, indorsing the work of the Shannon committee and urging that this investigation be pursued and that a detailed record of the findings of this committee be made public through the various newspapers and magazines of this country; to the Committee on Expenditures in the Executive Departments.

42. By Mr. KOPPLEMANN: Petition of Lieut. Caldwell Colt Robinson Auxiliary 254, Ladies' Auxiliary to the Veterans of Foreign Wars of the United States, March 3, 1933, at Hartford, Conn.; to the Committee on Economy.

43. By Mr. MARTIN of Massachusetts: Petition of Francis E. Perkins and other citizens of Holliston, Mass., urging revaluation of the gold ounce; to the Committee on Coinage, Weights, and Measures.

44. By Mr. MARTIN of Oregon: Memorial of the Thirty-seventh Legislative Assembly of the State of Oregon, pertaining to the St. Lawrence treaty; to the Committee on Foreign Affairs.

45. By Mr. SEGER: Resolutions of the John McCutcheon Republican League of Paterson, N.J., commending congressional support of the President in emergency legislation; to the Committee on Economy.

46. Also, resolutions of the Board of Commissioners of Passaic, N.J., favoring legislation honoring Gen. Thaddeus Kosciuszko, hero of the Revolutionary War, by issuance of a series of commemorative postage stamps; to the Committee on the Post Office and Post Roads.

47. By the SPEAKER: Petition of James H. Kerby, suggesting a banking law whereby all banks would be required

to become members of the Federal Reserve System; to the Committee on Banking and Currency.

48. Also, petition of the Wilshire District Democratic Headquarters Club, of Los Angeles, Calif., requesting Congress to grant the President authority to act in the present emergency; to the Committee on Ways and Means.

49. Also, petition of the Socialist of Tompkins County, N.Y., requesting Congress to take immediate steps toward the socialization of the entire banking system; to the Committee on Banking and Currency.

50. Also, petition of the Society of Mayflower Descendants in the District of Columbia, opposing the recognition of the Union of Soviet Socialist Republics by the Government of the United States; to the Committee on Foreign Affairs.

51. Also, petition of the Council of Brockton, Mass., memorializing Congress to authorize a special series of postage stamps commemorating the one hundred and fiftieth anniversary of the naturalization as an American citizen of Brig. Gen. Thaddeus Kosciuszko; to the Committee on the Post Office and Post Roads.

52. Also, memorial to the Council of West Warwick, R.I., memorializing Congress to enact House Joint Resolution 191; to the Committee on the Post Office and Post Roads.

SENATE

TUESDAY, MARCH 14, 1933

(Legislative day of Monday, Mar. 13, 1933)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

Mr. LEWIS. Mr. President, I suggest the absence of a quorum and ask a roll call.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Copeland	Keyes	Robinson, Ark.
Ashurst	Couzens	La Follette	Robinson, Ind.
Austin	Dale	Lewis	Russell
Bachman	Dickinson	Logan	Sheppard
Bailey	Dill	Loneragan	Shipstead
Bankhead	Duffy	McAdoo	Smith
Barbour	Fess	McCarran	Steiwer
Barkley	Fletcher	McGill	Stephens
Black	Frazier	McKellar	Thomas, Utah
Bone	George	McNary	Townsend
Borah	Glass	Metcalf	Trammell
Bratton	Goldsborough	Murphy	Tydings
Brown	Gore	Neely	Vandenberg
Bulkley	Hale	Norbeck	Van Nuys
Bulow	Harrison	Nye	Wagner
Byrd	Hastings	Overton	Walcott
Byrnes	Hatfield	Patterson	Walsh
Capper	Hayden	Pittman	White
Caraway	Hebert	Pope	
Clark	Johnson	Reed	
Connally	Kean	Reynolds	

Mr. HEBERT. I desire to announce that the Senator from Nebraska [Mr. NORRIS] and the Senator from Wyoming [Mr. CAREY] are absent attending the funeral of the late Senator Howell, of Nebraska.

I also desire to announce that the junior Senator from Minnesota [Mr. SCHALL] and the junior Senator from New Mexico [Mr. CUTTING] are necessarily absent.

Mr. REED. I wish to announce that my colleague the junior Senator from Pennsylvania [Mr. DAVIS] is detained from the Senate by illness. I ask that this announcement may stand for the day.

Mr. LEWIS. Mr. President, may I have in the RECORD recorded the fact that the absence of the Senator from Colorado [Mr. COSTIGAN], the Senator from Oklahoma [Mr. THOMAS], and the Senator from Illinois [Mr. DIETZICH] is caused by illness in their families? The absence of the Senator from Wyoming [Mr. KENDRICK] and the Senator from Montana [Mr. WHEELER] is because of attendance upon the rites of our dead Members who have now been taken to their burial.

Mr. WALSH. I wish to announce the absence of my colleague the junior Senator from Massachusetts [Mr. COOLIDGE] on account of a death in his family.

Mr. OVERTON. I desire to announce that the Senator from Louisiana [Mr. LONG] is necessarily detained from the Senate by illness. I will let this announcement stand for the day.

The VICE PRESIDENT. Eighty-one Senators having answered to their names, a quorum is present.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Haltigan, one of its clerks, returned to the Senate, in compliance with its request, the joint resolution (H.J.Res. 75) to provide for certain expenses incident to the first session of the Seventy-third Congress.

EMPLOYEES AND SALARIES OF FARMERS' SEED AND CROP PRODUCTION LOAN OFFICES (S.DOC. NO. 4)

The VICE PRESIDENT laid before the Senate a letter from the Secretary of Agriculture, submitting, in accordance with the terms of section 3 of the Senate Resolution 358 (72d Cong., 2d sess.), certain information relative to the number of employees and aggregate salaries paid in the Farmers' Seed Loan Office and the Crop Production Loan Office, which was ordered to lie on the table and to be printed.

RESOLUTION OF CONDOLENCE ON DEATH OF SENATOR WALSH OF MONTANA

The VICE PRESIDENT laid before the Senate a resolution adopted by the General Assembly of the State of Rhode Island, expressing sympathy upon the death of the late Senator Walsh, of Montana, which was ordered to be printed in the RECORD, as follows:

STATE OF RHODE ISLAND,
IN GENERAL ASSEMBLY,
January Session, A.D. 1933.

Resolution of the general assembly expressing genuine sympathy upon the tragic death of Senator Thomas J. Walsh (passed Mar. 8, 1933)

Whereas this general assembly has been deeply shocked to learn of the tragedy of the sudden death of Senator Thomas J. Walsh, named as the next Attorney General in the Cabinet of President Franklin D. Roosevelt; and

Whereas the Hon. Thomas J. Walsh, a fearless and powerful figure among American leaders, has won universal respect for strength of character and indomitable courage in championing the rights of the people: Now, therefore, be it

Resolved, That this general assembly, in admiration for his sterling patriotism and his unselfish devotion to public service, now joins in expressing that genuine sympathy which this abrupt termination of his valuable career calls forth, and directs the secretary of state to transmit to the widow of the late Senator Thomas J. Walsh a duly certified copy of this resolution as a true expression of the feeling of this legislative assembly.

STATE OF RHODE ISLAND,
OFFICE OF THE SECRETARY OF STATE,
Providence, March 9, 1933.

I hereby certify the foregoing to be a true copy of the original (S. 79) resolution of the general assembly expressing genuine sympathy upon the tragic death of Senator Thomas J. Walsh, passed by the general assembly on the 8th day of March A.D. 1933, by a unanimous rising vote.

In testimony whereof I have hereunto set my hand and affixed the seal of the State of Rhode Island this 9th day of March, in the year 1933.

[SEAL]

LOUIS W. CAPPELLI,
Secretary of State.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate the following joint memorial of the Legislature of the State of Montana, which was referred to the Committee on Banking and Currency:

UNITED STATES OF AMERICA,

State of Montana, ss:

I, Sam. W. Mitchell, secretary of state of the State of Montana, do hereby certify that the following is a true and correct copy of an act entitled "Senate Joint Memorial No. 14, a memorial to the Congress of the United States, requesting the enactment of legislation reducing the rate of interest required to be paid on loans made by the Reconstruction Finance Corporation in aid of industries," enacted by the twenty-third session of the Legislative Assembly of the State of Montana, and approved by J. E. Erickson, Governor of said State, on the 6th day of March 1933.

In testimony whereof, I have hereunto set my hand and affixed the great seal of said State.

Done at the city of Helena, the capital of said State, this 9th day of March A.D. 1933.

[SEAL]

SAM. W. MITCHELL, Secretary of State.